

CANADA

BUDGET SPEECH

DELIVERED BY

HON. WILLIAM S. FIELDING, M.P.

MINISTER OF FINANCE

IN THE

HOUSE OF COMMONS

FRIDAY, MARCH 23

1900



OTTAWA

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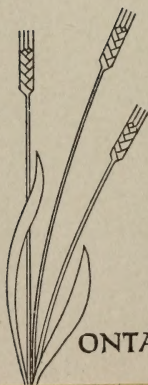
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WAYS AND MEANS—THE BUDGET.

The MINISTER OF FINANCE (Mr. Fielding) moved that the House resolve itself into committee to consider of the ways and means for raising the supply to be granted to Her Majesty. He said: Mr. Speaker, when I had the honour to deliver the budget speech a year ago, I spoke to the House of the affairs of the preceding year, which I was able to describe as the most prosperous period in the history of Canada. It is, I am sure, a cause of gratification to us all that the favourable conditions which then existed have continued, and that the year which followed was also one of wonderful progress in Canada. The year 1898 was regarded as a phenomenal year; but great as was its activity, that of the year 1899 was still greater, and I may say of that year that it was beyond all question the most prosperous year in Canadian history. The evidence of that prosperity will be found in the public documents, in the returns of the banks, in the reports of the boards of trade, in the reports of our great railway and industrial corporations. I may, as I proceed, have occasion to refer to a few of the more striking features of that prosperity, and at the close I shall place on the Table of the House, as I did on a previous occasion, a series of diagrams, which will in a very vivid way illustrate the progress which Canada has made during the comparatively short period of her national existence.

REVENUE, 1898-9.

Let me first, Sir, following the usual method of the budget speech, invite attention to the financial affairs of the year ending the 30th of June last, which we describe in our blue-books as the fiscal year 1898-9. During that year, the revenue collected from all sources amounted to \$46,741,249. This amount, which I may say, by the way, exceeds the anticipation expressed in my statement of last year by \$108,850, represents the very pronounced increase of \$6,186,011 over what was received by way of total revenue in the preceding year. The following are the particulars of how the revenue has been derived:

—	1897-8.	1898-9.	In-crease.	De-crease.
	\$	\$	\$	\$
Customs....	21,704,893	25,316,841	3,611,948	
Excise.....	7,871,563	9,641,227	1,769,664	
Post Office..	3,527,809	3,193,777		334,032
Miscellaneous.....	7,450,973	8,589,404	1,138,431	
	40,555,238	46,741,249	6,520,043	334,032
Net increase			6,186,011	

The increase of customs was general along the line, there being but few articles on which there was not an increase of revenue. In the case of excise, there was an increase on all articles. The following is a state-

ment of the excise revenue collected on each article :

Article.	Duty accrued 1898.	Duty accrued 1899.	Increase.
	\$	\$	\$
Spirits.....	3,563,575	4,566,147	1,002,572
Malt.....	584,321	843,193	258,872
Cigars.....	676,577	763,496	91,919
Cigarettes.....	240,343	302,841	62,498
Tobacco and Snuff.....	2,651,633	3,014,951	363,318
	7,716,449	9,495,628	1,779,179

As I have already stated, in miscellaneous revenues there is a large increase. We have a large receipt from the Yukon Territory, which is a new source of revenue in the last year or two; and we have an increase of over \$600,000 in the earnings of government railways. In this general classification of our sources of revenue, the only item which shows a diminution is the Post Office Department, and that we do not regard as a matter of regret, because the reduction in the revenue of the Post Office Department is a reminder of the great reform accomplished in that department by my hon. friend the Postmaster General when he established the great boon of the penny post. I remember that my hon. friend the leader of the opposition, when speaking on that subject at a public gathering in the city of Brockville, not many months ago, said that if the government had reduced the postage to two cents, they would make up for that reduction by new taxes somewhere else. Well, it will be, no doubt, gratifying to the hon. gentleman to know that no new taxes have been imposed, and that consequently the concession of penny postage has been a great reduction of taxation to the people at large, because there is no tax that is more universal throughout Canada than that which may be called taxation to meet the cost of the postal service of the country. The public will be glad to know that the anticipation of my hon. friend has not been realized, and that this great boon has been given without entailing the necessity of any increase of taxation in other respects. But while there is temporarily a loss of revenue in consequence of the granting of that boon, I rejoice to

know that that loss will not last much longer. It is a principle which we on this side, at any rate, recognize, that when you cheapen an article to the public they will use more of it, and that principle applies in the matter of postage as in other matters. We are glad to know that, owing to the reduction in postage, the people are writing more letters than ever before, and it will be but a few months, in all probability not more than twelve months, when the revenue from the Post Office Department will be as much as it was before the penny postage was established.

The total revenue for 1898-9 was \$46,741,249, or an increase of \$6,186,000 over the revenue of the previous year. The expenditure chargeable to consolidated fund for the year was \$41,903,500, or an increase of \$3,070,974 over the previous year. I will mention some of the principal increases. One is in the interest on the public debt, in which connection we had to pay a full year's interest on our 2½ per cent loan against a half year's interest in the previous year.

In legislation we had to provide for the plebiscite; in militia we had to provide for the Yukon contingent expenses and increased expenditure on annual drill; in public works we had to provide for additional dredging plant and numerous repairs and extensive additions to these works; in our ocean and river services we had to provide for the cost of a new steamer. We had also to provide for other expenditure in the Yukon Territory which was absolutely necessary, and as hon. gentlemen know our government railways are being developed to a considerable extent, but our expenditure in that connection is a profitable expenditure, as it is the cause of increased earnings on the Intercolonial.

We had, therefore, a revenue for the year 1898-9 of \$46,741,249, and an expenditure for the same year of \$41,903,500, so that we closed the year with a surplus of \$4,837,749.

CHARGES TO CAPITAL.

I should now refer to the question of what we call capital expenditure. There is a disposition occasionally on the part of some hon. gentlemen, who perhaps have not given the matter sufficient attention, to confuse capital account with income account; and

even during the present session we have heard hon. gentlemen treat these two accounts as if they were one and the same, and put the total expenditure of both capital and income, during our time, against the expenditure of former governments which included income charges only. There ought to be no misunderstanding in a matter of that sort. I am sure that there will not be any on the part of my hon. friend, the leader of the opposition, who at one time controlled the Finance Department himself, nor on the part of my hon. friend the ex-Minister of Finance (Mr. Foster), because both these hon. gentlemen are well aware that there is a broad distinction between these two accounts.

There are certain charges of an unusual character, such as the construction of great public works, railways and canals, the subsidizing of railways and other exceptional charges of one kind or another, which do not form part of the ordinary every day expenditure of governments, and these from time immemorial are collected together under the heading of capital account, distinguished from the ordinary account of expenditure chargeable against income.

Let it be clearly understood that the accounts of the government, as respects these two classes of expenditure, are kept to-day exactly as they were in former times; and therefore the comparisons we make are those we have the right to make with the expenditures of former administrations. I trust, therefore, that those hon. gentlemen who have confused these two accounts, will draw the line between them, and see that any comparisons they submit are properly made.

We expended during the last year on capital account, that is to say outside ordinary charges against income, \$9,137,562. This is made up of the following items:

Railways—Intercolonial and Prince Edward Island Railways	\$1,103,929
Canals	3,899,877
Public works	385,094
Dominion lands	151,212
Militia	387,810
Canadian Pacific Railway	8,418
Railway subsidies (including \$2,322,500 to Crow's Nest Pass Railway) ..	3,201,220
Total	\$9,137,562

THE PUBLIC DEBT.

Let us turn now to the effect of this expenditure in increasing our public debt. I have here a statement showing the additions to the net debt on the 30th June, 1899:

Capital expenditure (railways, canals, public works, Dominion lands, militia, and C.P.R.)	\$5,936,342 94
Railway subsidies	3,201,220 05
Expenses of loan of 1897	3,786 87
Allowance to Manitoba (under 61 Vic., cap 4)	267,026 43
Amount paid to Manitoba (under 61 Vic., cap 4)	231,292 82
	\$9,639,669 11
Less surplus	\$4,837,749 00
Sinking fund	2,482,484 65
Refund account, N.W.T. rebellion	1,853 41
Con. fund transfer	534 36
	7,322,621 42

Increase of net debt\$2,317,047 69

This increase of the public debt, Mr. Speaker, is somewhat larger than I at one time expected, but it is, notwithstanding, a very moderate increase of the debt, having regard to the very large undertakings in which we have been engaged. When I stated that it was somewhat larger than some of us anticipated, one of my hon. friends opposite said, 'Hear, hear.' There is a popular idea, I know, in some quarters that the increase of the public debt, under this administration, has been very large. No statement is more unfounded. There is absolutely no ground for any statement of that character, if a fair comparison be made between the expenditure of the present government and that of our predecessors. I have here a comparative statement of the public debt for two periods. I take first the period from 1878 to 1896, eighteen years:

Net debt July 1, 1878	\$140,362,069 91
" 1896	258,497,432 77

Increase for eighteen years..... \$118,135,362 86

Average increase per annum for eighteen years.... \$ 6,563,075 71

I now present a similar statement for the three years from 1896 to 1899:

Net debt July 1, 1896	\$258,497,432 77
" 1899	266,273,446 60

Increase for three years..... \$ 7,776,013 83

Average increase per annum..... \$ 2,592,004 61

But, this statement, favourable as it is, hardly tells the whole story. Of the expenditures of the last three years, about two and a half millions, in round numbers, have been expended in paying obligations entered into by the late government, or obligations which existed prior to this government coming into power, and which should have been met by the previous government. If you take this two and half millions from our expenditure, and hold this government responsible only for that portion of the increase of debt which is represented by their own outlay for charges occurring subsequent to their coming into office, you will find that the average annual increase of the public debt under this administration has been only about \$1,700,000, against about \$6,500,000 for every year of the government of their predecessors. The other day, when some reference was made in the course of discussion to large expenditures on the part of this government, the question was asked what we had got for them, and an hon. gentleman opposite said 'nothing.' But let me call attention to two or three items of our expenditure for the last three years, that the House and the country may judge whether these expenditures have produced nothing for the good of the country. I have here a statement of the expenditures on canals, public works, Intercolonial Railway and railway subsidies for two periods of three years—the three years 1894-5-6, and the three years 1897-8-9. All these expenditures are chargeable to capital.

So it will be seen that, if we have a larger expenditure in the aggregate, we are able to point to such items as these to show that this expenditure has been applied to services absolutely necessary for the 'growing time' in Canada.

FISCAL YEAR 1899-1900.

I turn now to the affairs of the year of which some eight months have passed. I estimate that the total revenue for this year will pass the fifty million mark. Our expenditure up to the first of the present month was \$25,018,290. It will be necessary to make a somewhat liberal allowance for the expenditure of the remaining portion of the year. Last year, it will be remembered, parliament closed at a very late date. The Minister of Public Works (Mr. Tarte) was, unfortunately, absent, through illness, and very many of the grants which were appropriated in his department were not expended. But arrangements have since been made, and I have no doubt that during the working season between now and the 1st of July, very liberal expenditures will have to be made. We make allowances for liberal expenditures on that account, and I estimate that the expenditure of the year will be \$43,175,000. I anticipate, making our calculations and keeping our accounts in exactly the same way as our predecessors, that at the close of the fiscal year we shall have a surplus of \$7,525,000, the largest surplus in the history of Canada. I may find myself tempt-

STATEMENT OF Expenditure chargeable to Capital, &c., Six Years.

	Canals.	Public Works.	Intercolonial Railway.	Railway Subsidies.	Total.
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
1894.....	3,027,164 19	102,058 94	439,209 14	1,229,885 10	4,798,317 37
1895.....	2,452,273 65	102,332 80	327,605 06	1,310,549 10	4,192,820 61
1896.....	2,258,778 97	114,825 58	260,395 54	3,228,745 49	5,860,345 58
Total	7,738,216 81	319,277 32	1,027,209 74	5,769,179 69	14,853,883 56
1897.....	2,348,636 91	129,237 76	190,569 81	416,955 30	3,085,399 78
1898.....	3,207,249 79	198,935 69	252,756 80	1,414,934 78	5,073,877 06
1899.....	3,899,877 31	325,236 40	1,081,929 74	3,201,220 05	8,508,263 50
Total	9,455,764 01	653,409 85	1,525,256 35	5,033,110 13	16,667,540 34

ed to infringe on the copyright of the Postmaster General (Mr. Mulock), and inscribe on the public accounts 'We hold a vaster surplus than has been.'

Coming now to the capital account for the current year, our expenditure to the 1st of March has been \$5,341,452. We have large expenditures on railways, on canals, and on public works yet to make. We have provided liberally for these. Then, we have this year a service of an exceptional character, which we are proud to mention, a service which is not for ourselves, but for the empire, for the maintenance of our troops in Africa. We have a large expenditure to make on that service. I desire to speak of the public debt of the year with some caution, because I know that one may easily err, and I know that the increase last year was somewhat more than I anticipated, but, looking at the matter carefully, making the best estimates one can for the year of which four months are yet to elapse, I am of the opinion, and I think that opinion will prove to be correct, that, during this current year we will pay all the liberal outlay on ordinary account that hon. gentlemen opposite talk of so often; we will pay all the capital charges we occasionally hear about; we will pay all the railway subsidies; we will pay every dollar of the expenditure required to the 1st of July for our troops in South Africa—and, at the end of the year, we shall not have added one dollar to the public debt.

Mr. GEORGE E. FOSTER (York, N.B.) May I interrupt the applause for a moment? The hon. gentleman (Mr. Fielding) did not tell us what he supposed the total capital expenditure would be, he was so anxious to get to that debt business.

The MINISTER OF FINANCE. My hon. friend (Mr. Foster) is quite right. The total capital expenditure, I estimate, will reach \$9,875,000. Our position financially, therefore, is a very strong one. We have not a dollar of floating debt at this moment; and though, as every hon. member connected with finance is aware, we have been pass-

ing through a period of great stringency in the money world, it is gratifying to us to know that we have been able to bear these difficulties and not go upon the money market at all.

FISCAL YEAR 1900-1.

I have spoken of the year 1898-9, ending in June last, and I have spoken of the current year which will end on the 30th of June next. We have placed on the Table the main estimates for the year beginning the 1st of July next, and supplementary estimates will follow in due course. I do not think it is necessary at present to go into any speculation as to the finances of next year, further than to say this, that great as have been the progress and prosperity of Canada during the past two or three years, we have no reason to believe that there is going to be any early check to that prosperity. I do not think it is reasonable for us to look forward to a continued period of such prosperity as we have had. As I ventured to remark on a previous occasion, the pendulum that swings one way may some day swing back, and it is always well that we should keep that in mind. But so far as we can see now, there is no turn of the tide; there is every reason to believe that the next fiscal year will be one of prosperity in Canada, and that we shall come out of it at the close with a good financial statement.

I invite the attention of the House for one moment to an item that has only recently appeared in our public accounts, which has taken a great deal of our money, and which swells the expenditure which hon. gentlemen opposite like so well to speak of. I desire to call the attention of the House to it as an evidence of the fact that a mere increase of expenditure is not in itself an evidence of an increasing burden to the people; but there may be cases in which increasing expenditures, far from being a burden, actually tend to reduce the burden of the taxpayer. I have here the figures of the Yukon Territory, receipts and expenditures, for three years, which I will read to the House:

YUKON TERRITORY.

REVENUE.

	1896-7.	1897-8.	1898-9.	Total.
	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Interior.....	8,593 00	735,485 09	1,261,816 30	2,005,894 39
Post Office.....	50 00	2,083 50	9,461 23	11,594 78
Customs.....	9,873 24	63,185 39	482,098 55	555,157 18
Totals.....	18,516 24	800,753 98	1,753,376 13	2,572,646 35

EXPENDITURE.

Interior.....	5,998 47	47,026 65	223,526 24	276,551 36
Post Office.....	40 00	43 33	21,950 39	22,033 72
Customs.....	3,938 78	3,239 09	28,931 88	36,109 75
Public Works.....		14,000 00	68,619 32	82,619 32
Railways and Canals.....		4,996 00	55,952 92	60,948 92
Justice.....		933 97	12,646 98	13,580 95
Mounted Police.....	22,134 76	495,770 08	874,852 72	1,392,757 56
Militia.....		99,975 75	387,763 41	487,739 16
Totals.....	32,112 01	665,984 87	1,674,243 86	2,372,340 74

Though this Yukon statement swells up the total expenditure, though it gives hon. gentlemen opposite an opportunity to talk of our great expenditure, still the same account shows that the Yukon has also been actually the source of a small net revenue.

SURPLUS AND DEFICIT.

I will now say a word as to surpluses and deficits. I do not know that it is absolutely necessary for the prosperity of a country that we should always have a surplus. We cannot properly say there may not be circumstances in which a government would be well justified in having a deficit. Still, I suppose we shall all agree that it is well to have a balance on the right side, and it is better to have a series of surpluses than a series of deficits. Seeing then that some of our critical friends have been disposed to predict that great disaster would come from the financial management of this government, it may not be without interest to present a comparative statement of the surpluses and deficits for two periods of three years:

	Deficit.
1893-4	\$1,210,332 45
1894-5	4,158,875 58
1895-6	330,551 31
Total deficit for three years.....	\$5,694,759 34
Average annual deficit	1,898,253 11

We now turn to the period when deficits cease and surpluses begin. In the year 1896-7 we had only a partial command of the finances of the country; because, it will be remembered that the estimates were prepared by our predecessors, and owing to the circumstances under which parliament met in the summer of 1896, it was found necessary to accept those estimates for carrying on the business of the country, with very little change. But, of course, by keeping some check upon the expenditure we had a partial control, and while it was expected by our opponents that that year would result in a very heavy deficit, we had the satisfaction at the close of the year of finding that the deficit was only \$519,981.44. In the two following years we had handsome surpluses, as will be seen by the following statement:

	Deficit.	Surplus.
1896-7	\$519,981 44	
1897-8		\$1,722,712 33
1898-9		4,837,749 00
		\$6,560,461 33
		519,981 44
Total surplus for three years...		\$6,040,479 89
Average annual surplus		2,013,493 29
Deficit, three years, 1893 to 1896....	\$5,694,759 34	
Surplus, three years, 1896 to 1899....		6,040,479 89
Betterment, last three years...		\$11,735,239 23

That statement, be it remembered, takes no account of the surplus for the present year of \$7,500,000.

FUTURE INTEREST CHARGES.

Sometimes hon. gentlemen opposite are a little anxious as to the future of our Dominion in regard to its finances. It will be interesting for those who have not given attention to the subject—for, of course, I know that several hon. gentlemen opposite are quite as familiar, perhaps more familiar, than I am with these things—to know that the obligations of Canada which will begin to mature very shortly in the mother country bear a high rate of interest. The time will come, within a few years, when we shall have to redeem obligations to the amount of \$167,000,000. But against that we will have \$67,000,000 of sinking fund, so that we shall have to borrow within the interval between now and the year 1913, for the renewals of old debts, \$100,000,000. We may, in the meantime, have to make some additions to our public debt for the carrying on the public works of the country, although we are developing a marvelous capacity for carrying on these works without adding anything to the public debt. We cannot always expect to have as prosperous times as we have now, and it may be necessary, to meet these great expenditures of a practical character, to add something to the public debt in the meantime. I assume that we may have to add \$2,000,000 a year on the average, and also to retire the old debt to the amount of \$100,000,000. I believe we shall be able, at the time mentioned, owing to the great improvement to the credit of Canada—an improvement which I do not pretend for one moment is due entirely to this government, because the credit of Canada occupied a good position when we came in, and I hope we have improved it—we shall be able to float our new loans at a much lower rate of interest than the old loans bear. The difference between the rate that these old loans bear and the rate at which we shall be able to borrow, looking as far to the future as we can, is so great that I believe that ten or twelve years hence we shall find ourselves in the happy position that, even

though we should have to add \$2,000,000 a year to the public debt, we shall actually be paying less money for interest on our debt than we do to-day.

PER CAPITA EXPENDITURE.

I wish to ask the attention of the House now to a question which is so much talked about, of the large expenditures of the government, and generally to the question of extravagant expenditures. I think that no fair discussion of that question can take place unless hon. gentlemen opposite are prepared to take up the expenditure, item by item, and show wherein there is an expenditure which has been wasteful or unnecessary. I think that every fair-minded man in Canada, who is interested in such matters, will feel that he is bound to analyse their character before he forms any judgment against the expenditures of this government. I know that many men take a general view of these matters, and, even in the general view it will be found that this government has not been anything like the extravagant government which hon. gentlemen opposite would picture it to be. I have here a statement of the expenditure, chargeable to consolidated fund, per head of the population, for the last twenty years, and I find that, according to this statement, taking statistics of population as given by the statistician of the Department of Agriculture, our expenditure for last year was \$7.88 per head, not the largest expenditure in the history of Canada.

Mr. FOSTER. Is that the total expenditure?

The MINISTER OF FINANCE. It is the expenditure chargeable to consolidated fund only. There are several years in which the expenditure was about \$7.88 per head, and in one year, 1886, which was somewhat exceptional, it was \$8.50 per head. In 1888, the expenditure was \$7.84 per head, while ours is \$7.88 per head. I have already pointed out that, while there is an apparent increase of the expenditure, it is only a nominal increase, inasmuch as it does not carry with it any burdens upon the people. I have given the House the illustration of the case of the Yukon; for every dollar of increased expenditure we have received

a dollar back, and I might also say that, for every dollar we have expended on the working expenses of the Intercolonial Railway, I think we shall receive a full dollar back, so that these increased expenditures are more nominal than real. Even treating them as real and taking that general view that so many people are likely to take, I would point out that this expenditure was last year, \$7.88 per head of the population, based upon the statistics of the Department of Agriculture. I understand that the gentleman who has charge of that branch of the public business makes his estimates from year to year upon a well established scale of percentages based upon the past increase of population. Of course, it is only an approximate statement. In dull times, when business is not prosperous, when the country is not growing, this approximate statement will, probably, be above the true statement, while in times of great activity this statement will be below the true statement, and I have no hesitation in saying, from such means as I have of inquiry and observation, that the figures in this statement, based upon the method of calculation pursued in the past, do not represent correctly the population of Canada. The population, in 1899, is put down at 5,312,500. But, I think my hon. friends opposite will agree with me in what I said a moment ago, that this approximate statement is likely to be an excessive statement in hard times, and an under-estimate in good times, and that being the case, we may reasonably believe that in these prosperous times in Canada, the population is greater than is given in this statement. If that be so, then our expenditure per capita is actually below what it was in some of the years of the late government.

Mr. FOSTER. Is the hon. gentleman (Mr. Fielding) going to take up the expenditure per head on both lines?

The MINISTER OF FINANCE. I do not take up the capital expenditure, but I shall be glad, at a later stage, to look into that. I have not the figures with me. I have already shown that the capital expenditure is larger than when hon. gentlemen opposite were in power, but, in dealing with that branch of the subject we shall have to bear

in mind the question whether we were prepared to finish the canals quickly or carry them on quietly.

Year.	Expenditure, Consolidated Fund.	Population.	Expenditure per Capita.
	\$ cts.		\$ cts.
1880.	24,850,634 45	4,215,389	5 90
1881.	25,502,554 42	4,336,504	5 88
1882.	27,067,103 58	4,383,819	6 18
1883.	28,730,157 45	4,433,363	6 48
1884.	31,107,706 25	4,485,395	6 94
1885.	35,037,060 12	4,538,790	7 72
1886.	39,011,612 26	4,589,414	8 50
1887.	35,657,680 16	4,638,109	7 69
1888.	36,718,494 79	4,688,147	7 84
1889.	36,917,834 76	4,739,617	7 79
1890.	35,994,031 47	4,792,605	7 51
1891.	36,343,567 96	4,846,377	7 50
1892.	36,765,894 18	4,899,273	7 50
1893.	36,814,052 90	4,953,557	7 45
1894.	37,585,025 52	5,009,296	7 50
1895.	38,132,005 05	5,066,562	7 53
1896.	36,949,142 03	5,125,436	7 21
1897.	38,849,759 84	5,185,990	7 39
1898.	38,832,525 70	5,248,315	7 39
1899.	41,903,500 54	5,312,500	7 88

GROWTH OF DOMINION TRADE.

I wish to submit a statement of the total trade of Canada for different periods. There are various ways of measuring the prosperity of the country; the population is one, the value of land is another, and the total trade is another. I think we can appeal to every one of these to prove that Canada is prospering to an unprecedented degree to-day. I speak particularly of the statement of the total trade. I shall divide the statement into three periods, beginning with the period from 1868 to 1878, which I may describe as a low tariff period. There was a Conservative government in power for part of the time and a Liberal government for part of the time, when we had a much lower tariff. Then, we had the period from 1878 to 1896, which, I suppose, my hon. friends opposite do not object to my calling a high tariff period. Then, we have the period from 1896 to the present time, which, if not a very low tariff, is certainly a period of a moderate revenue tariff.

Some hon. MEMBERS. Oh, oh.

The MINISTER OF FINANCE. Now, I find that the total trade in 1868 was \$131,027,532; in 1878, \$172,405,454, an increase in

ten years, in the low tariff period, of \$41,377,922, the percentage of increase in the ten years being 31·58 per cent, and the average annual increase \$4,137,792. Now we come to the period from 1878 to 1896. The total trade in 1878 was \$172,405,454, and in 1896, it was \$239,025,360. The increase in eighteen years was \$66,619,906, the percentage of increase in eighteen years was 38·64, and the average annual increase was \$3,701,105. Now we come to the period of a moderate tariff. The total trade for 1896 was \$239,025,360, and the total trade for 1899 was \$321,661,213, an increase in three years of \$82,635,853, against an increase of \$66,000,000 in the whole eighteen years of the national policy. The average annual increase in this present period has been \$27,545,284, against an average annual increase of \$3,701,105 in the period of the national policy. The percentage of increase in our three years is 34·57, as against 38·64 in the eighteen years of the national policy. We have a statement of our trade for the eight months of the current year, and I shall present an approximate estimate for the remaining four months. If our trade for the coming four months should keep pace with the progress of the last eight months, we would then have the increase for the four years over 1896 at \$135,227,247. The average annual increase for the four years would be \$33,806,811, against an average annual increase of \$3,701,105 in the days of the national policy. The percentage of increase in the four years would be 56·57, as against a percentage of 38·64 in the eighteen years of the national policy. Now, converting this into a statement of the annual increase, we find that in the low tariff period from 1868 to 1878, the total trade increased 3·15 per cent, and from 1878 to 1896, it increased 2·14 per cent. There was a lower rate of increase of trade under the national policy than there was under the old Macdonald-Mackenzie tariff. From 1896 to 1899, the annual increase is 11·52 per cent, as against 2·14 per cent in the days of the national policy. If we take the eight months actual figures of the present year, and the four months estimate, we will find that the annual increase in the four years is 14·14 per cent, as against 2 per cent in the days of the national policy.

Mr. WALLACE. At what do you estimate the total trade for the current year (1900) ?

The MINISTER OF FINANCE. I have given the increase, but I have not at hand the figures on which it is based. The increase for the four years over 1896 is estimated at \$135,227,247.

CANADA.

Statement of the total trade of Canada for the several periods mentioned.

Total trade, 1868.....	\$131,027,532
“ 1878.....	172,405,454
Increase in ten years.....	\$ 41,377,922
Average annual increase	4,137,792
Percentage of increase in ten years..	31·58
Total trade, 1878.....	\$172,405,454
“ 1896.....	239,025,360
Increase in eighteen years	\$ 66,619,906
Average annual increase.....	3,701,105
Percentage of increase in eighteen years	38·64
Total trade, 1896.....	\$239,025,360
“ 1899.....	321,661,213
Increase in three years	\$ 82,635,853
Average annual increase	27,545,284
Percentage of increase in three years.	34·57

Memo.—If our trade for the remaining four months of the present year keeps on in the same proportion to the past eight months' trade as it did in the previous year, the increase of the four years over 1896 would be.... \$135,227,247
Being an average annual increase of. 33,806,811
And a percentage of increase in the four years of..... 56·57

Average Annual Increase per cent for Total Trade for the Several Periods.

	Per cent.
1868 to 1878	3·15
1878 to 1896	2·14
1896 to 1899	11·52
1896 to 1900 (four months of 1900 being estimated)	14·14

I have a statement showing the increase of trade during the past eight months of the year, and it is as follows :

CANADA.

Comparative figures of the Trade of Canada for the first eight months, ended March 1, of years 1899 and 1900.

Imports, exclusive of coin and bullion, eight months, 1899.....	\$ 96,342,331
Imports, exclusive of coin and bullion, eight months, 1900.....	115,228,940
Increase last eight months.....	\$ 18,886,609
Exports, produce of Canada, exclusive of coin and bullion, eight months, 1899	\$ 96,810,264
Exports, produce of Canada, exclusive of coin and bullion, eight months, 1900	110,058,428
Increase last eight months	\$ 13,248,164

Aggregate trade, including imports and exports, produce of Canada, coin and bullion excluded, for the eight months, 1899.....	\$193,152,595
Aggregate trade, including imports and exports, produce of Canada, coin and bullion excluded, for the eight months, 1900.....	225,287,368
Increase last eight months.....	\$ 32,134,773

GOVERNMENT NOTES AND BANK CIRCULATION.

I have here some comparative statements which are usually presented in a budget speech, respecting the circulation of notes of the chartered banks and of the Dominion government. That statement is as follows :

Circulation of Notes of Chartered Banks and Dominion Government.

Date.	Banks.	Government	Total.
	\$	\$	\$
Oct. 31, 1894	34,516,651	22,212,884	56,729,535
" 31, 1895	34,671,028	22,893,259	57,564,287
" 31, 1896	35,955,150	21,607,553	57,562,703
" 31, 1897	41,580,928	24,751,932	66,332,860
" 31, 1898	42,543,446	24,315,988	66,859,434
" 31, 1899	49,588,236	27,076,309	76,664,545

There is no better criterion of the general business activity of the country than the circulation of the small notes—the \$1 and \$2 notes, such as a wayfaring man, even though he may be a member of parliament, may expect to get hold of. The larger notes get into the hands of the more favoured people, but the average of mankind is fortunate to possess these \$1 and \$2 bills. It is one of the best tests of the activity of the trade of the country. Taking the figures at the highest point in each year, which is the time the harvest is being moved, at the end of October, I find the circulation of Dominion notes (\$1 and \$2) was as follows :

Dominion Notes of Denomination of \$1 and \$2 in Circulation.

Date.	Amount.
October 31, 1894.....	\$7,031,368
" 1895.....	7,295,368
" 1896.....	7,583,712
" 1897.....	7,940,520
" 1898.....	8,612,602
" 1899.....	9,421,886

BANK CLEARINGS.

The bank clearings, which business men recognize as one indication of some value as to business activity, were as follows, for the past three years, in the six cities of Montreal, Toronto, Winnipeg, Halifax and St. John. I may state that the clearing house at St. John, was only established in 1896 :

Bank Clearings in Six Cities of Canada.

Year ended December 31, 1897.....	\$1,174,710,345
" " 1898.....	1,390,019,344
" " 1899.....	1,549,966,696

This shows an enormous increase in the bank clearings.

BANK DISCOUNTS.

The discounts of the chartered banks of Canada from the year 1894 to the 31st January, 1900, were as follows :—

Discounts—Chartered Banks of Canada.

Date.	Amount.
June 30, 1894.....	\$224,371,222
" 1895.....	224,627,632
" 1896.....	224,507,301
" 1897.....	226,960,482
" 1898.....	245,336,120
" 1899.....	283,713,933
January 31, 1900.....	301,694,768

SAVINGS BANK AND CHARTERED BANK DEPOSITS.

The deposits in the chartered banks, and in the post office and government savings banks, were as follows, for the periods mentioned :

Deposits by the people in the Chartered Banks of Canada and in the Post Office and Government Savings Banks.

Date.	Chartered Banks.	Post Office and Government Savings Banks.	Total.
	\$	\$	\$
June 30, 1894	174,930,936	43,036,012	217,966,948
" 30, 1895	180,664,121	44,450,498	225,114,619
" 30, 1896	183,769,992	46,799,318	230,569,310
" 30, 1897	201,141,688	48,934,975	250,076,663
" 30, 1898	227,063,343	50,111,118	277,174,461
" 30, 1899	258,402,340	50,241,715	308,644,058
Jan. 31, 1900	269,841,396	51,562,908	321,404,304

RAILWAY TRAFFIC.

I have here a brief statement which will occupy only a few minutes, summarizing

the railway traffic for the past two years. It is as follows :

Miles in operation—	
1898.....	16,718
1899.....	17,250
Number of passengers carried—	
1898.....	18,444,049
1899.....	19,133,365
Number of tons of freight carried—	
1898.....	28,785,903
1899.....	31,211,753
Gross earnings—	
1898.....	\$59,715,105
1899.....	62,243,784
Working expenses—	
1898.....	\$39,137,549
1899.....	40,423,281
Net earnings—	
1898.....	\$20,577,556
1899.....	21,820,503

LAND SALES IN THE WEST.

A very interesting statement, which I will only present in brief, though hon. gentlemen in the west would perhaps find it of special interest, is one showing the sales of lands made by the Dominion government and the Canadian Pacific Railway Company in the North-west. In 1895, 1896 and 1897, the Canadian Pacific Railway returns show that they had actually sold no land in those years ; or, to put it in other words, the sales of land had not been as great as the cancellations of previous sales. In 1898, the company sold 192,918 acres, and in 1899, they sold 266,874 acres. The sales of Dominion lands, the receipts being in cash and scrip, were as follows :

1895-6.....	\$ 93,303 63
1896-7.....	66,264 91
1897-8.....	109,096 78
1898-9.....	137,905 93

These figures are very suggestive of the growth and progress of our great western country.

Mr. FOSTER. Has the hon. gentleman the distinction between the cash and scrip received ?

The MINISTER OF FINANCE. I had it, but it is not on my notes. I will furnish that to the hon. gentleman if he wishes it.

Mr. FOSTER. I would like to see it.

The MINISTER OF FINANCE. I will try to bear it in mind.

IMMIGRATION.

I have a statement of the immigrants arriving in Canada for a series of years, as follows :—

	By Ocean Ports.	From U.S.	Total.
1892	29,810		29,810
1893	29,455		29,455
1894	20,680		20,680
1895	18,617		18,617
1896	16,835		16,835
1897	19,304	712	20,016
1898	22,781	9,119	31,900
1899	32,598	11,945	44,543

There do not appear to be statistics as to the immigration from the United States in the years prior to 1897, if there was such an immigration in those years.

Mr. CLARKE. Have you the information as to the nationality of the immigrants arriving at ocean ports during the last two or three years ?

The MINISTER OF FINANCE. No. Is there any particular nationality the hon. gentleman would want to shut out ?

Mr. CLARKE. I would like to get all the nationalities.

The MINISTER OF FINANCE. I am not aware whether the Department of the Interior has them. My hon. friend, the acting minister can perhaps look into that. A further illustration may be given by the importations of settlers' effects, which were as follows :

1896.....	\$2,188,975
1897.....	2,233,730
1898.....	2,828,675
1899.....	2,805,956

It will be seen that there has been a considerable increase in the last two years. I am glad, however, to be able to quote another authority as to the increase of immigration from the United States. My hon. friend, the leader of the opposition visited the city of Boston a few days ago, and there made a very patriotic speech, which does him infinite credit. In the course of that speech, he said :

Since September 27 last he had the opportunity of addressing fifty-seven public meetings in Canada, in every province, and at these meetings he had met hundreds of former citizens of the United States who had taken up their residence in Canada.

Mr. PRIOR. Could the hon. gentleman say whether—

Some hon. MEMBERS. Order, order. Sit down.

Mr. PRIOR. Would the hon. gentleman say whether the leader of the opposition stated when these immigrants came to Canada ?

The MINISTER OF FINANCE. In the report of the hon. gentleman's very excellent and patriotic speech, I see no reference of that kind, and I do not imagine that my hon. friend drew any such distinction.

Mr. FOSTER. I would like to ask the Finance Minister, what is the system of registration on which his statistics of immigrants coming from the United States, are based ?

The MINISTER OF FINANCE. I would have to ask my hon. friend the acting Minister of the Interior to deal with that point at a later stage. Knowing that there was this immigration, I sent for the figures to that department, which keeps the records.

Mr. FOSTER. You do not know whether they are actual settlers on lands, or whether they are simply counted by our immigration officers, when they come in ?

The MINISTER OF FINANCE. At a later stage, perhaps the acting Minister of the Interior can look into that and give the information ; I cannot give it.

IRON AND STEEL INDUSTRY.

A gratifying evidence of the increasing activity of recent years, and especially last year, has been the growth of enterprises of considerable importance for the manufacture of iron and steel. In the province of Ontario several new establishments have been started within the last year or two, and there is, I believe, every probability that the iron deposits of that province will be worked on a much larger scale than before. But the new enterprise which has probably attracted the most notice is that which is now being established in the old town of Sydney, in the Island of Cape Breton. There a company of capitalists, largely Canadian, but led by a very able gentleman from the United States, is engaged in establishing what I believe will be one of the largest iron and steel plants in the world. The elements which go to the successful production of iron and steel are believed to exist in the vicinity of Sydney in an ideal condition. You

need coal, iron and limestone, and all these may be found in abundance in Cape Breton. In addition to that, they have the great advantage of having their coal at tide-water, and they can have what is practically a ferry communication with the magnificent iron deposits of Newfoundland. The company has acquired one of the most valuable iron deposits in the world in Newfoundland, and contemplates using the ores of that colony as well as the ores of the Island of Cape Breton. There are at this moment, I am advised, 2,000 men at work, even at this inclement season, getting the works in shape ; and within the next two months, as soon as spring opens, and the opportunity comes of working on a larger scale, I am informed, that the number of men employed will be nearly doubled. The company has ample capital and is likely to engage in operations on a very large scale. The old town of Sydney, while always a beautiful place and full of historic interest, was not very progressive ; but it is to-day experiencing a boom such as is often heard of in the western country, but seldom happens in our quiet towns down by the sea. Sydney is likely to become the Pittsburg of Canada. There is to-day, I believe, as great a demand for town lots in Sydney as there is in some of the older cities with ten times its population. Every indication points to a great and successful enterprise, one which is likely to be productive of great advantage to Canada, and no doubt also to the enterprising capitalists who have put their money into it. There is a feature that I may be pardoned for making a passing allusion to, though possibly it may be a little bit of vanity on my part. I feel a certain interest in the matter, not because I happened to be the medium through which the government put before parliament its legislation on that subject, not because last year I introduced, on behalf of the government, our legislation with reference to bounties, by which we continued the system that had been in existence during the four years previous, another period of years, but for another reason. I should not have great hope of the mining industry in Sydney if I thought it would have to rely for its success upon the continuance of the bounty system, and I am glad to know that those gentle-

men who have put their capital into it, look to the day when that industry will flourish without the aid of government bounties, because they have put their money into this enterprise on the faith of the Act passed by this parliament by which the bounty is to be diminished from year to year until before many years it will cease altogether. But it is not particularly the legislation of last year that I had in mind. What I desire to note is that this great enterprise in Cape Breton is the direct outcome of another great undertaking, led by the same enterprising American citizen, which I had the honour of submitting to the legislature of Nova Scotia for its approval, when I occupied the position of Prime Minister of that province. When I remember the struggle I had to make for my political existence to get that measure through, when I recall the fact that its opponents carried their hostility to Ottawa and into the Governor General's office, I can look back with pride and satisfaction to the movement of that day, and feel that time has vindicated that policy of the Nova Scotia government, and that the enterprise then started has been fruitful of advantage to the province and the direct cause of the creation of this new enterprise which bids fair to make the town of Sydney the Pittsburg of Canada.

MINERAL STATISTICS.

Perhaps the House will pardon me if I place in the budget speech the mineral statistics of Canada, which may be stated briefly in a few lines, as taken from the report of the Geological Survey :

Total Value of Mineral Products of Canada.

1890.....	\$16,763,353
1891.....	18,976,616
1892.....	16,628,417
1893.....	20,035,082
1894.....	19,933,857
1895.....	20,758,450
1896.....	22,584,513
1897.....	28,661,430
1898.....	38,661,010
1899.....	46,245,878

UNITED STATES AND CANADIAN FOREIGN TRADE.

I presented last year, simply as an interesting item of comparison, because it is not properly a matter pertaining to the budget, some figures showing the relative trades of

the United States and Canada, and I think they were found quite interesting and by many surprising. It is well that we should recognize that the United States is a more self-contained country than Canada. They have a greater variety of soil and climate than we, and are able to obtain, in the way of domestic trade, many products which we have to obtain from foreign countries. In that respect, perhaps, our American neighbours have the advantage of us, but we enjoy this compensation, that in this more northern clime we have a bracing climate, which probably, more than any other in the world, is conducive to the bringing up of a race of strong men and women.

The domestic exports of the United States in 1898 were \$16.05 per head, and those of Canada in the same year amounted to \$27.54 per head.

The total foreign trade of the United States in 1898 was \$24.60 per head, and that of Canada \$56.29 per head.

I have also the figures for 1899. The domestic exports of the United States in that year were \$15.84 per head and of Canada \$25.85 per head. The total foreign trade of the United States in 1899 amounted to \$25.31 per head, and that of Canada to \$58.90 per head.

THE TARIFF REDUCTIONS.

Let me say something on the question of the extent to which this government has carried out the policy of tariff reform. My hon. friend, the leader of the opposition, has once or twice spoken of the extent of our tariff reform as 71-100ths of 1 per cent, while his hon. friend, who sits near him (Mr. Foster), and who is perhaps more accustomed to deal with figures, has placed it, in a resolution on the journals of the House, at 1.71 per cent, which is a great deal more than the statement of the hon. leader of the opposition. However, neither statement is exactly correct. I have here a statement prepared in the Customs Department, showing the imports for consumption during the fiscal year of 1898-9 to be \$154,051,593, on which the duty collected amounted to \$25,734,228.75. This, however includes the sum of \$38,384.69, which was collected in the year 1897-8, but not credited to the Receiver General until 1898-9. The value of the importations upon

which this sum was paid by way of duty is not included in the total value of imports for consumption for 1898-9, nor was it included in the previous year. It should, therefore, be deducted in striking the average ad valorem rate of duty on last year's imports.

The sum of \$54,109.84 was refunded under the preferential tariff on importations of last year and it should, therefore, also be deducted in striking the average ad valorem rate. The goods covered by such amount refunded were originally entered under the general tariff owing to absence of necessary certificates of origin. On production of such certificates refund was allowed. Deducting these, we have the following statement:

Net revenue on importations of fiscal year 1898-9.....	\$25,641,734 22
---	-----------------

Importations for consumption for the fiscal year 1898-9.....	\$154,051,593
Less coin and bullion	4,705,134
	<u>\$149,346,459</u>

Net duty paid thereon.....	\$25,641,734 22
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Average ad valorem rate on importations, less coin and bullion.....	17.17
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Compare this with 1895-6:

Importations for consumption for fiscal year 1895-6.....	\$110,587,480
Less coin and bullion	5,226,319
	<u>\$105,361,161</u>

Duty paid thereon.....	\$ 20,219,037
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Average ad valorem rate on importations, less coin and bullion.....	19.19
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Rate, 1896	19.19
" 1899.....	17.17

Difference	2.02
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Now, 2.02 may strike some persons as a very small reduction, but it is a very substantial reduction if you look at it in the right way. It is equivalent to a reduction of 10½ per cent off the total duties. And if you convert it into dollars, you will find that if the old tariff had been in operation and imposed upon the importations to which I have referred, the duty which the people would have been obliged to pay would have been \$3,017,000 more than they actually paid.

I wish to point out, however, that the average ad valorem duty is not a fair measure of the tariff reform. You could have a

large measure of tariff reform without reducing the ad valorem duty a single point. If you should increase your duties on luxuries and diminish them on things which may be regarded as the necessities of life, you could by such a process have a very great tariff reform, and yet your average duty might be just the same as before or higher. Consequently the system of averages is somewhat misleading. When hon. gentlemen desire to know what the tariff reform has been, they must take up the individual items of the tariff. Under our tariff, we added materially to the free list. There were besides 148 items on which the duties were reduced in the general tariff, and on every one of these items, in the case of importations from Great Britain, the duty was further reduced to the extent of the preferential rate. I think that will be an indication that there has been a very considerable measure of tariff reform. Then, there is another point to be remembered. Even taking your average, you have saved, not only 2.2 per cent on your imports, but you have saved also 2.2 per cent on your purchases of goods from the home manufacturers. We all know that as a rule—there are exceptional cases, of course—the price of the home product is influenced by the duty on the foreign article. So, when our tariff was readjusted and this reduction was made, the reduction not only affected all the articles imported, but it obliged the home manufacturer to reduce his price to correspond with the price of the imported article under the reduced duty. And he was able to do that by the increased volume of business he was doing. Therefore, the people received the advantage of that reduction and the manufacturer did more business than ever before.

So it will be seen, I think, that there is a very large reduction in the tariff. Hon. gentlemen opposite delight to say now that there has been no reduction at all. They say that our tariff is only the old national policy. I am obliged to refer to this again, because the view is so often expressed by hon. gentlemen opposite. My hon. friend from East Huron (Mr. Macdonald), read a quotation the other evening, to show what was thought of our policy when we brought it down. It was not spoken of by these hon. gentlemen as the national policy then.

May I be permitted to read again the words of the leader of the opposition on the tariff of 1897 :

The result is that this tariff goes into operation and the hon. gentleman knows that the industries of this country are already paralysed in consequence, while hon. members gloat over the destruction of Canadian industries. I was reading the wall, the sorrowful wall, of those industries in the Montreal 'Gazette,' where one manufacturer after another declared that those industries were ruined, that their mills must close, and that they saw staring them in the face a return to the deplorable state of things that existed when the hon. gentleman who last addressed the House was in charge of the fiscal policy of this country. I say that a deeper wrong was never inflicted upon Canada.

I feel that so far from rejoicing at it from a party standpoint, I deplore from the bottom of my heart the ruin that is going to be inflicted upon the best interests of Canada and upon its great industries. Still, I unhesitatingly say that, from a party point of view, the hon. gentlemen are doing our work; they are showing the people of this country that no reliance can be placed upon the most solemn declarations that they make either in the House or out of it; they are showing the people of this country that, having obtained power, which was all they wished for, they are now prepared to abuse that power at a cost of a sacrifice of the industries of Canada.

Sir CHARLES TUPPER. May I ask my hon. friend (Mr. Fielding), if he thinks it is fair, I do not say to the House, because he does not expect, I am sure, to impress the House with a statement of that kind, for everybody here understands the question, but does he think it is fair to the country, to read a speech made by me upon an entirely different condition of things from that which exists to-day, and to present that as a criticism of the tariff? The hon. gentleman knows—

The MINISTER OF FINANCE. My hon. friend (Sir Charles Tupper), may ask a question, but this is not the time for him to make a speech—

Sir CHARLES TUPPER. The hon. gentleman (Mr. Fielding), knows that he substantially changed the tariff.

The MINISTER OF FINANCE. My hon. friend will have an ample opportunity of presenting his views, and I am sure he will not expect to make a speech now. I was just coming to the point to which he refers. He has had many a bad quarter of an hour trying to explain that speech. He says that it applied to an entirely different state of affairs. When his attention was drawn to

this matter last year, he said that that speech applied to the tariff as the Finance Minister first brought it down, but that the Finance Minister had made changes a little later. That is the view he is suggesting now. If his criticism did not apply to the tariff so amended, that tariff must be all right. But we do not find that, at the time, the hon. gentleman said the changes made the tariff all right. He said we were blundering and muddling along and bringing affairs into hopeless confusion. Now, when we brought down that tariff, we did not imagine that wisdom would die with us. We knew that there were thousands of men in Canada able to give good opinions upon the tariff, opinions from which we might learn something. And, when we did learn something, we had the courage to come down and say so, and to make the change. And so, with the change in one item, and a change in another, here a little and there a little, we made it a good tariff. But, has the hon. gentleman (Sir Charles Tupper), said that it was a good tariff? No, he and his newspaper organs throughout the country, and particularly the *Toronto Mail and Empire*, declared that we had ruined the national policy, that we had cut the duties unsparingly, up and down the line. Now, he would have us understand that these changes made the tariff all right, so that his criticism, which I have read, would not apply. But, that was not his position three days ago in this House. What did he say then? When this quotation was read by my hon. friend from East Huron, the hon. leader of the opposition rose, but he had a different story to tell us then. He said that that criticism applied to the tariff of 1897, but that that whole tariff was changed in 1898. So, it was the tariff of 1898, to which he said his criticism must not be held to apply. I tell the hon. gentleman that we made those changes which were necessary and proper from the first draft of the tariff, and he and his organs throughout the country condemned that tariff as being as mischievous as before. And, the other night, he said that because we made the changes in 1898, we should not hold him responsible for this criticism, which applied to the tariff of 1897. But, what followed? He had the opportunity, three days ago, to vote for the essential principle of the tariff of 1898, and

he hastened to put himself and his party in opposition to that principle ; and, though he was not here at the time the vote was taken, he was paired, and thus his vote is recorded against it. And, so, Mr. Speaker, we have the tariff as brought down in the first draft, then the final draft of 1897, and then the tariff of 1898 ; and, from beginning to end, the whole was condemned by the hon. gentleman, who declared that it was going to prove disastrous to the interests of the country.

Sir CHARLES TUPPER. No.

The MINISTER OF FINANCE. No ? Then, if the tariff of 1898 was a good tariff, why did the hon. gentleman (Sir Charles Tupper), vote against the preference feature of it ? It is too late for him to come and pretend—

Sir CHARLES TUPPER. The hon. gentleman (Mr. Fielding), has asked a question, will he not allow me to answer it ?

The MINISTER OF FINANCE. Yes.

Sir CHARLES TUPPER. I did not vote against the tariff of 1898 ; I voted against the statements made in the motion of the hon. member for Halifax (Mr. Russell), that I considered were untrue. But, I will ask the hon. gentleman (Mr. Fielding), this question : Was not the tariff of 1897 the Cobden medal tariff, and is the tariff of 1898 a Cobden medal tariff ?

The MINISTER OF FINANCE. My hon. friend (Sir Charles Tupper), would have been glad, not many years ago, to have had the Cobden medal. He poses as a great apostle of the national policy, but my memory carries me back to a time when men who were more loyal to the national policy than he was brought into this House a resolution to sustain certain features of the original national policy ; and when the hon. gentleman found he was in a difficulty over it, he voted against the national policy rather than resign his office. I do not know that the tariff of 1897, or the tariff of 1898 has any relation to the Cobden medal ; but, I know that they were good tariffs for the Dominion of Canada, and that under them Canada has prospered as never before in her history.

Now, I think my hon. friend had better cease trying to explain away his criticism of the tariff. He had better be frank enough to say, for I know he feels it, that he has made a mistake—we all do make mistakes, you know. He ought to say : I was wrong in 1897 and 1898 ; I did not understand the matter, and I am frank enough to say that you have brought down a good tariff under which Canada has prospered, and I congratulate you upon it. That is the course he should take, though he may not want to take it. If, in the face of all I have shown him ; if, in the face of the goods transferred to the free list ; if, in the face of duties reduced from over 50 per cent to 25 and 26 per cent ; if, in the face of 140 items in the general tariff reduced ; if in the face of the 25 per cent reduction under the preferential tariff ; if, in the face of all light and all reason, he insists upon saying that this is the old national policy ; then, I shall borrow the remark of the Minister of Customs (Mr. Paterson), and say that if this is the national policy, then the people of Canada will say : Better leave it in the hands of men, like the present government, who can get some good out of it, than to put it into the hands of men who, though they claim to have invented the machine, evidently never knew how to manage it.

TRADE WITH WEST INDIES.

I desire to make some reference now to a question which has frequently engaged the attention of the House. I refer to the West Indian trade. Many years ago the eastern provinces of Canada had a very large and prosperous trade with the West Indies. Unfortunately, in later years that trade did not flourish. From time to time various efforts have been made by several governments to improve those trade relations. Delegate after delegate has gone to the West Indies, but although every effort was made, I have no doubt, that was possible, very little good was accomplished. Two years ago, in 1898, in the hope that we might be able to improve matters somewhat, with the two-fold purpose of trying to extend our trade and at the same time, perhaps, lending, in a small degree, a friendly hand to the efforts which were being made by Her Majesty's govern-

ment to improve the condition of the British West Indies, I submitted to the House a proposal to extend to those colonies the benefits of the preferential tariff. I am frank to say now that the increase of trade under that preferential tariff with the West Indies has not been so great as we had hoped for. I realize, however, that the difficulties are great. While we gave a preference on national grounds to the products of the West Indies, our neighbours to the south gave a preference to the cane sugar of the West Indies in another form. Though they have no special legislation which says that cane sugar from the West Indies should be admitted on favourable terms, they have a system of countervailing duties whereby the beet sugar of Europe is subjected to extra duties, and the effect of that is that cane sugar is much sought for in the United States market. The difference in value between cane and beet sugar, owing to the difference in duty, is very considerable; and, naturally, the West Indian planter finds that market so attractive that he sends his cane sugar to Boston or to New York; and when he is there selling his sugar, it naturally follows that he has a strong disposition to buy needed articles, which he carries back with him. We recognize the difficulties of the case. I have here the figures of the trade, imports and exports, with the West Indies for a few years past:

Aggregate Trade with the British West Indies, including British Guiana, for past six years.

—	Imports.	Exports.	Total.
	\$	\$	\$
1894.....	1,769,206	2,401,783	4,170,989
1895.....	1,413,041	2,203,447	3,616,488
1896.....	1,395,423	1,935,336	3,330,759
1897.....	1,171,743	1,716,906	2,888,649
1898.....	753,397	1,785,071	2,538,468
1899.....	954,471	1,990,865	2,945,336

While I do not for a moment pretend that these are satisfactory figures, while I recognize that we ought to have, if possible, better trade relations with the West Indies, and this government is certainly desirous of doing everything that is reasonably possible to that end, I would call attention to the considerable improvement last year. Sev-

eral of the West India islands have entered into agreements with the United States whereby, in addition to the advantage which is already given to cane sugar under the system of countervailing duties, a further advantage may be granted to the products of the West Indies in exchange for advantages to be granted by the West Indies to the products of the United States. At this moment there are, as respects three of the islands, conventions pending before the United States Senate, and before the colonial legislatures, with a view to establish trade relations on that basis. If the several colonies in the West Indies should establish these arrangements with the United States, we would certainly be precluded from getting any special arrangements with them. What may be the result of these conventions, one cannot at this moment say.

RECIPROCITY WITH TRINIDAD.

There is one island in particular, however, with which we have recently had some negotiations. The island of Trinidad is one of the most prosperous islands of the West Indies. It has a population of about 300,000, one-third of whom are coolies, people from the East Indies; less than one-third are whites, and the remainder are negroes. Among all the islands of the West Indies there is not one with which we ought to be more desirous of cultivating trade relations. In addition to the market of Trinidad, the island stands in a particularly favourable situation for doing business with the neighbouring republic of Venezuela, which is connected, we may say, with Trinidad by little more than a ferry. It is only a few miles from Port au Spain to the ports of the Venezuelan republic. For all these reasons, we have been very anxious to deal with the colony of Trinidad if we could be met on fair terms. My hon. friend the Minister of Trade and Commerce (Sir Richard Cartwright), feeling the importance of this trade, sent out his Deputy Minister, Mr. Parmalee, one of the oldest and most experienced of our public officials, to make inquiry into the conditions of the West Indian trade. After going over these islands, and understanding the conditions of their negotiations with

the United States, he came to the conclusion that the island with which we ought to attempt to negotiate was the island of Trinidad. About the same time the colonial government of Trinidad was moved to approach Canada. Although the preferential tariff with the West Indies had not accomplished very much, it had this good effect, that it made the people of the West Indies aware of the desire of the people of Canada to deal in a friendly and brotherly way with them, and there have been frequent manifestations of good-will on the part of the Island of Trinidad towards Canada since the adoption of that preferential tariff. The colonial government sent to Ottawa a short time ago two gentlemen representing the island, the Hon. R. H. McCarthy, of the Customs Department of Trinidad, and the Hon. G. T. Fenwick, member of the executive council. These gentlemen were not commissioned to make any arrangement with Canada, to make any formal offer; but they did assure us that there was a strong desire on the part of the government and people of Trinidad to establish closer trade relations with the Dominion of Canada. They did not submit any formal offer, as I say; but they led us to believe that a proposal approximating to free trade between Canada and Trinidad would be the means of leading the people of that island to turn their eyes towards Canada rather than to follow the example of their sister colonies in making special treaties with the United States. Having fully considered the matter, having regard to the position of the other islands in their relations with the United States, and to the great importance of our obtaining relations with Trinidad if it could be done, we came to the conclusion to make a proposal to the colonial government. That proposal I now wish to submit to the House. It will be this day made public in the island of Trinidad, and come before the colonial legislative council, at a session which, I believe, is to be held on Monday next. On the 27th of February, a proposal was made to the colonial government in the following terms:

In view of your recent representations, if details can be satisfactorily arranged, Dominion government agree, subject to approval of Dominion parliament, free interchange of products of Trinidad and Dominion of Canada, except spirituous liquors and tobacco. Goods to be carried direct per ships between British West

Indies and Dominion of Canada. Detailed list of special articles comprising principal products of Trinidad and Dominion of Canada to be made, on which the duties against other countries remain the same as present rates in Trinidad and Dominion of Canada, or not to be made under minimum rates, to be fixed in accordance with agreement. Both governments to be free to make such commercial arrangements as may be desirable with any part of British dominions. Agreement to be for five years, and afterwards to continue until terminated after one year's notice has been given by either of parties.

We have not yet been placed in a position to know the views of the colonial government in regard to the proposal, but, this being the earliest moment at which we had an opportunity of submitting it to the House, we desire now to make its contents known. The substance of the proposal is that there should be, with a few exceptions, free trade between Trinidad and Canada, but it will be upon conditions that there shall be a preference in Canada over foreign countries, in favour of Trinidad, and that in Trinidad there shall be a preference in favour of Canada on the products which Canada may send to the Island of Trinidad. The scheme is one which, I think, will commend itself to the House. I do not, at this moment, know what will be its fate. We know that our brethren to the south of us are very active in cultivating trade relations with the West India islands. We know that they have already secured treaties with some of the islands, and we know that they have already made proposals to Trinidad. I take it that our Trinidad friends, while well disposed towards, us, will look upon this to some extent as a business proposal. They will compare the advantages of our scheme with the advantages which may be offered by the United States. In due time, we shall receive further information on the subject, and at the present I do not think it is desirable to say more in regard to the proposition.

Mr. FOSTER. Would the hon. gentleman know the main products that Trinidad would probably export to this country?

The MINISTER OF FINANCE. The chief products of Trinidad are sugar, cocoa and asphalt.

Mr. FOSTER. And coffee?

The MINISTER OF FINANCE. I do not think they do much in coffee.

Mr. FOSTER. Yes, they raise coffee.

The MINISTER OF FINANCE. They raise coffee, but I do not think there would be a very great export of coffee. Their great product is sugar.

Mr. WALLACE. Will the hon. gentleman submit a statement of the trade of Trinidad?

The MINISTER OF FINANCE. I have a full statement, and I would be very glad to give all the facts later on. The fact is that there is so much material, and the tendency of the budget speech is to grow to such an extent, that I purposely left the figures out, but I shall be glad to submit the figures of the trade and commerce of Trinidad.

Mr. SPROULE. One step towards the Cobden medal.

The MINISTER OF FINANCE. My hon. friend (Mr. Sproule) has no use for the Cobden medal. The best wish that I offer him is that when the time comes that he shall pass away, the world may remember his name as favourably as it remembers the name of Richard Cobden.

TARIFF CHANGES.

The only change in the general tariff which I propose to ask the attention of the House to, is in the direction of free trade, to add another item to the free list. We propose to submit to the House a resolution providing that machinery, not of a class made in Canada, imported for the manufacture of beet root sugar shall be admitted free of duty.

Mr. SPROULE. Hear, hear.

The MINISTER OF FINANCE. This is the sort of free trade that the hon. member for East Grey (Mr. Sproule) does not object to. We have had before us large deputations from farmers and their representatives in the province of Ontario interested in the beet root industry. It may be remembered by many hon. members, who are familiar with the facts, more familiar than I am, that a few years ago the beet root sugar industry was established in the Eastern Townships of Quebec, and that the late government thought fit to give that industry a considerable measure of encouragement. For

a few years the business was carried on, but it finally proved a failure and was abandoned. Perhaps it is because of that fact that there is an opinion among many of the most intelligent farmers in Canada that the beet root sugar industry is not one adapted to our soil and climate. On the other hand, it is but fair to say that many other farmers, equally intelligent, think that in some parts of Ontario, owing to more favourable conditions, and also owing to the improvements that have been made in machinery, the beet-root sugar industry may be worked upon a permanently profitable basis, and that is the opinion of a number of gentlemen who did me the honour of waiting upon me the other day. We had two deputations, one of which favoured a bounty, and the other deputation, while having an eye to the windward for a bounty, seemed to take the view that if a bounty was necessary it would be provided by the government of Ontario, that province being particularly interested. That deputation only asked the government to aid the enterprise by granting an exemption of the duty on the machinery. I understand that, for the establishment of a plant of sufficient capacity to engage in this business on a large scale, it would require the investment of \$500,000, \$300,000 of which would have to be paid for machinery to be imported from foreign countries. There is a certain class of machinery, boilers and engines, which may be made in Canada, but the greater portion would have to be imported from the United States, France, or Germany, and it is upon the machinery which will be so imported from foreign countries that we propose to grant that exemption. If the proportion is as large as it has been represented to me, the exemption of such machinery from duty will be a very important concession. However that may be, we have felt it inexpedient, at this time, to deal with the question of bounty, but we willingly grant the concession which is asked in relation to the duty on machinery.

I have said that this is the only item we propose to deal with in detail. I do not propose to contend, for a moment, that the other items of the tariff are perfect. There are, no doubt, some blemishes in it. We think we have a pretty good tariff. No doubt there will be differences of opinion on this ques-

tion, and there always will be in this country, or in the United States, or in any other country, except England, which has a tariff that is beyond attack. There will always be room for debate on the tariff question. While I do not claim that the tariff is perfect in all its items, I say there are strong reasons against disturbing it in its details. There are some duties that are high, higher than I would like to see them. There are some duties which, probably, are lower than they should be and an increase of a few of these duties might make the tariff more symmetrical and equitable. But, there is a view that I would like to present to those who advocate tariff changes of that kind. I would like to remind them that there are very few items in the tariff which stand alone. As I said in 1897, in introducing the tariff changes, the tariff had been and must continue to be, to a certain extent, a matter of compromise. There are different sections in our vast territories which have different interests which often come in conflict. It must be the part of wisdom and of statesmanship to try to reconcile these different views by a policy of moderation and reasonable compromise. It was upon that principle that the tariff was formed, it is on that principle that I defend it to-day. It is on that principle that any hon. gentleman who may have to deal with the tariff question in our lifetime will have to defend his tariff, whatever it may be. I have said that there are few items standing alone; almost every item bears a relation to another item, and if you propose to alter one item you may, of necessity, be obliged to change some other item. I desire to emphasize the fact to those hon. gentlemen who may be advocating changes in particular items that, in opening up any one item, you may have to disturb another item. There are items which concern one section of the Dominion, and there are items which concern another section, and if you attempt to deal with the details of the tariff you may find that your changes are wider and more far-reaching than you had expected. It may be that there are some duties which are high, higher than some would like to see them, on goods imported from the United States, but we have a good answer to make to those who ask for changes. If in the United States there had been manifested

any great desire to have better trade relations with us, I am sure there would be a very strong demand from many people in Canada for reductions in the tariff on American products. But, our American neighbours feel it to be their duty, they feel it to be consistent with their best interests, not to encourage closer trade relations with Canada; and while they take that position, we do not think the moment is favourable for making reductions upon articles which are produced in the United States. The Joint High Commission, though it has not accomplished much, has not yet come to the end of its term. It is theoretically, at all events, still an open matter, and though there may be no immediate prospects of its reassembling, it has not yet been dismissed by the only authorities who can terminate its existence. If we shall have an opportunity of opening up trade relations with the United States, I am sure this government will not fail to take advantage of it. If that opportunity does not come, then I do not think there will be as much desire as there would otherwise be for a reduction of duties on American products. In any case, Sir, whether we have closer relations with the United States or not; whether we have negotiation with them or not; I am sure that what has already happened between this government and the government of the United States in relation to that question, affords abundant guarantees to the people of Canada, that Canadian interests will be safeguarded at every point.

PREFERENTIAL TRADE.

May I now say something in reference to the question of preferential trade, which was discussed a few days ago, but which is a matter too important to be overlooked in a budget speech. I am glad that the issue between the two parties on that question has now been defined, but I regret, and I say it with all sincerity, that hon. gentlemen opposite have not been able to take our view of the method of dealing with the mother country. It would have been a very gratifying fact if upon that question, as upon the other question of sending our brave sons to Africa, the two parties in Canada could have stood side by side and worked hand in hand. However, hon. gen-

gentlemen opposite have their own view of preferential trade, and though we may not agree with it we must at least have a clear understanding of what it is, and why it is that we are unable to agree with them. These gentlemen opposite have made one thing very clear, and that is, that they have fallen back to the old ground which they occupied years ago; that ground which declared that no concession of any kind should be made to our mother country unless the mother country would give us dollar for dollar and cent for cent. Whatever difference there may be between us, there is no difference as to that being the policy of the Conservative party, as led by my hon. friend (Sir Charles Tupper). Well, Canada has had experience of that policy. For years that policy was promulgated on the floor of this House and throughout the country. The desire for preferential trade was not born yesterday nor even in 1897. There was something in the thought which appealed to the heart of every Britisher, and hon. gentlemen opposite, realizing that fact, repeatedly brought the question up for discussion. Why did they never make any progress; why did their every step meet with failure? It was simply and solely because they asked that which was impossible. They found the Belgian and German treaties an insuperable difficulty. The Belgian and German treaties were peculiar in their character. They were different from what were called the favoured-nation treaties. The favoured-nation treaties dealt only with the relations of Great Britain to foreign countries, but the Belgian and German treaties related to the family affairs of the British Empire. They provided that no higher or other duty should be levied on the products of Belgium or of Germany in the colonies than were levied on the products of Great Britain. At every step the Conservative government took in the direction of preferential trade these treaties rose up as an insurmountable obstacle. Day after day and year after year, speeches were made and conferences were held, and resolutions were passed asking that these obstacles be removed, but they were never removed, and why? It was because hon. gentlemen opposite and all who agreed with them on that subject insisted upon asking things that were at the time, and even now are, impossible. England was

asked to give up the most cherished principles of her modern fiscal system. England, which after a great struggle under Bright and Cobden had made the people's food free, was asked to turn back the hands of the clock and tax the bread of the people. England was asked again and again to accept this condition, and just so long as that demand was made the great journals and the great leaders of thought in England scoffed at preferential trade of that kind. When the change of government in Canada came in 1896, the Belgian and German treaties were no nearer denunciation than they had been at any previous time. In 1896 a new government came to power in Canada and there was a change. There came into power in Canada a government which adopted another method of dealing with the mother country. There was a desire on this side of the House as well as on the other to have preferential trade; the only question was: how you could best go about it. We thought, Sir, that the true policy was to cease demanding impossible conditions from England. We thought that inasmuch as Great Britain had for generations aided Canada whenever it was necessary, that she had given us the protection of her flag, that she had done everything for us that we required, and had admitted our products free to her market; we thought it right that we should meet her in the same generous spirit and say: Inasmuch as you have done all these things for us, we will give you this preference free without any conditions, and we will take our chances of getting a further return.

THE BELGIAN AND GERMAN TREATIES.

The Belgian and German treaties stood in the way. Of course we knew that. The leader of the opposition has occasionally referred to them as if these treaties were only discovered in recent years. Every hon. member who discussed the question in this House and who gave it any attention desired that these treaties should be swept out of the way. The question was: how could the thing be done? Just so long as hon. gentlemen opposite pursued their policy no progress was made, and we felt, Sir, that we must raise the question before the British government and before British public opinion in a new way. We

felt that we had a fair ground to contend that these treaties did not or should not apply to Canada, inasmuch as Canada had never been consulted concerning them, and Canadian interests were not advanced by them. 'Oh,' said my hon. friend (Sir Charles Tupper), 'that is a preposterous theory.' Well, it was not so very preposterous after all. Authorities equally as sound as the hon. gentleman (Sir Charles Tupper) have said that it was a fair contention. The *London Times*, the great organ of public opinion, after the report of the discussion in this House had been cabled it, made the statement that it was by no means clear that these treaties had any effect upon the rights of Canada at all. Whether that was right or wrong; whether our position was reasonable or unreasonable, we were bound to take a stand as advocates of Canada, and to advance every point which would help us to put the question before the British government and the British people. And so we framed our preferential clause in such a way that we thought we had escaped the consequences of the treaties. At all events, we thought we had a fair case to present. Well, Sir, we did not succeed in all respects. We were not very much surprised at that. I admitted in presenting the tariff to the House that there were doubts and difficulties in the way, and that these doubts and difficulties could only be settled by the Imperial government of Her Majesty, to whose decision we were prepared to submit. Although Her Majesty's government had to say to us that, inasmuch as they were bound to interpret their treaties with foreign countries in a liberal and generous spirit, they could not acknowledge our right to give that preference, while to that extent they differed from us, yet at the same moment they said this, they took the step that denounced the Belgian and German treaties. Thus, Sir, as the result of the action of the parliament of Canada there was brought about the termination of these treaties in a few months, which hon. gentlemen opposite had vainly tried to secure for many years. My hon. friend the leader of the opposition (Sir Charles Tupper) has more than once referred to a speech made by me at a gathering in the city of Sheffield, England, in the year 1897. 'Why,' he said, 'the Minister of Finance admitted there that

Canada had nothing to do with this matter; He admitted that it was the action of the colonial Premiers in England that brought about the denunciation of the German and Belgian treaties.' Well, Sir, the hon. gentleman has unconsciously paid a compliment to my modesty. The occasion was the great gathering of the Cutlers' Feast at Sheffield, and speaking at the moment, not for Canada, but for all the colonies, I did not feel that it was the time to vaunt Canada or to vaunt any little part which I had taken in the movement. I must plead guilty to the charge of a little modesty in that respect, and say that I referred to the fact that the colonial Premiers had joined in the demand on the Imperial government for the denunciation of those treaties. But, there is not a man of those colonial Premiers who will not acknowledge that all they were called on to do was to register and ratify the work already done by the government and parliament of Canada. We had thus the obstacle removed which hon. gentlemen opposite had never been able to remove, and we entered upon a policy of preferential trade.

IMPORTS AND EXPORTS FROM GREAT BRITAIN.

But, hon. gentlemen opposite say, what does it amount to? How much is your increase in trade? Well, it is not so bad. The figures were read before, but let me read them again. Canada has won honour and fame from that preferential treaty, and she has won dollars and cents as well. In our trade relations with the mother country, let us go back to 1893. The hon. leader of the opposition said the other day that the increase that has come recently is a part of the general expansion of trade. Well, we had an expansion of trade in the last years of the late government; but, while the general trade increased, the imports from Great Britain fell off under the national policy from \$43,000,000 in 1893 to \$29,000,000 in 1897. In 1898, however, they increased to \$32,000,000, and in 1899 to \$37,000,000. I have in my hand a statement showing the imports for consumption at the principal ports of the Dominion, of goods from Great Britain, during the eight months ended 28th February, 1899 and 1900, respectively:

committed himself to such a policy. The name of Mr. Joseph Chamberlain has been used again and again; but there is not a line to show that Mr. Chamberlain is prepared to accept the policy proposed by hon. gentlemen opposite. There are, no doubt, some men over there who favour it—patriotic, able men, including some members of parliament; but they are enthusiasts in what some may regard as a good cause, and they have not been able to impress on the British government, the British parliament or the British people the views they are known to entertain. I believe that if we are ever to obtain that preference we shall obtain it by our way and not by the way of hon. gentlemen opposite. So long as you demand that Great Britain give you something, so long as you take sentiment out of the question and bring it down to a mere matter of dollars and cents, you are not likely to make any progress. If we shall ever obtain that preference, we shall obtain it, not by any bargaining or trafficking, but as a result of that splendid Imperial movement which is to-day commanding the attention of the civilized world—a movement which, one of these days, may override the old-fashioned ideas of political economy which Englishmen entertain. We may accomplish it in that way; we are not likely to accomplish it in any other way.

BRITISH PREFERENCE INCREASED TO 33½ PER CENT.

We have drawn the lines between hon. gentlemen opposite and ourselves on that question. They have demanded the pound of flesh. I do not state the case too strongly. They have in effect said that if they had been in power in April, 1897, they would not have granted the preference to England. They have in effect said that if they come back to power they will not grant any preference to England unless England shall give them an equal preference. There, Sir, we accept the issue. In testimony of our faith in the system we have adopted, in the belief that it is best for Canada and best for the Empire, in the belief that, to use the words of Her Majesty's Colonial Secretary, it is a policy that is 'welding more closely the ties that unite the colonies to the motherland,' we stand by that policy, and we are prepared to go further; and

when I conclude my remarks, I shall place on the Table of the House a resolution which declares that after the 1st of July next there shall be an increase in the preference to England.

Sir CHARLES TUPPER. Will the hon. gentleman say how much?

The MINISTER OF FINANCE. If the House will only permit me, I will say how much. Let me finish my sentence. I was submitting to the House a resolution to declare, that from and after the 1st July next, the preference of 25 per cent which is in the preferential tariff, shall be increased to 33½ per cent. In other words, that from and after that date, for every \$3 of duty imposed upon the products of foreign countries, there shall be only \$2 of duty levied on the goods coming from our motherland.

STABILITY OF TARIFF.

The policy of this government in tariff matters has been from the beginning a policy of moderation, a policy of prudence and of caution. There are those who said that we were under obligation to make sweeping changes, but these were not our friends. The policy of the Liberal party, as laid down in the great convention in the city of Ottawa, in 1893, was that we should initiate a policy of tariff reform which would have due regard to all existing conditions, without doing injustice to any interest. We have adopted that policy, and carried it out in the letter and the spirit. Step by step, desirable changes have been made. In the step we now take we are satisfied that we shall create no disturbing influence and injure no industry in Canada, but shall meet the reasonable expectations of the people of Canada for a further measure of tariff reform. I desire to point out that with an overflowing treasury, the people have the right to expect a reduction of taxation. We propose to give them a reduction, and to give it to them on lines which will create the least disturbance and encourage to a larger extent our trade with the motherland. If we take the largest classes of goods imported from England, and the highest rate of duty, say 35 per cent, and apply to that the reduction I now propose of 33½ per cent, or one-third of the total duties, the 35 per cent is brought down to 23½ per cent.

I submit that as things are to-day in Canada, that is a fair revenue tariff, and I do not think that the advocates of tariff reduction would ask us to go, on that class of articles, below the rates we have now named; and inasmuch as tariff stability is very desirable, and inasmuch as confidence in business is the secret, to a large extent, of prosperity, I want to say to all concerned, that I regard that rate of 23½ per cent as a fair and reasonable tariff, with which, I think, the country will be satisfied, and I do not anticipate a reduction on that class of articles for a reasonable time in the future.

CANADIAN SECURITIES AND THE TRUSTEE LIST.

There is a subject to which I wish to make a brief allusion, and it is one not wholly unconnected with that which I have been discussing. There are vast sums of money in England in the hands of trustees, who have to invest it in the best classes of security. Unfortunately for Canada, we have never been able to obtain the admission of our securities into that trustee list, and the consequence has been that whenever we placed a loan on the market, although trustees might have been willing to invest the vast sums in their hands in Canadian securities, they could not do so, because the English law did not allow it. The desirability of admission to the trustee list has long been recognized. For the last fifteen years, the matter has been agitated by the government of Canada. The hon. leader of the opposition (Sir Charles Tupper), when he filled the important position of High Commissioner, gave a great deal of attention to the subject, and I know from my inquiry at the time, and from information I have since obtained, that my hon. friend laboured hard to accomplish that great boon for Canada, the admission of our securities to the trustee list. But, my hon. friend failed, as all others had. Many things, however, which were impossible for Canada a few years ago, have become possible under the better conditions that have arisen. A year ago, realizing as fully as my hon. friend did the desirability of obtaining admission to the trustee list, I went into the subject very carefully and prepared a full report upon it, urging, as no doubt, my hon. friend did, in his day, that Canada ought to have her

securities recognized as among the best on the English market. Negotiations were carried on for some time through the intervention of our present High Commissioner, who has laboured hard, and has done great service to Canada in that, as in every other respect. I have now the satisfaction of announcing that the difficulties have been overcome, and that by arrangement between Her Majesty's government and the Canadian government, legislation will be introduced in the Imperial parliament this session, while I shall have the honour of submitting a Bill to this House also, dealing with the subject, and when these two Bills, purely formal in their character, are adopted, the securities of Canada will be admitted to the trustee list from which they have hitherto been excluded. My hon. friends, the leader of the opposition, and the ex-Minister of Finance, both of whom are thoroughly familiar with this question, will realize, I am sure, the great importance of this concession which we have obtained from Great Britain; but to those who may not be so familiar with the subject, let me say that the difference between the selling price of a security admitted to the trustee list, and one shut out from that list, is from two to three points. I do not think that the hon. leader of the opposition, or the ex-Minister of Finance, will differ from me in that estimate. I think that at a later stage, we shall derive even more than that difference, because under the influence of this important step, the securities of Canada will approach very nearly the value of British consols. But, if we calculate at the moderate estimate of 2 per cent, on the loans which Canada will have to place in England in the next ten or twelve years, the saving will be not less than two and a half million dollars to the Canadian treasury.

Let me put it in another way. The gain that we shall make by this action of the British government in coming to the assistance of Canada will be, in actual cash, equal to every penny we spend for the sending of the Canadian soldiers to South Africa.

I regard this as a matter of very great consequence to the finances of Canada, and those who are acquainted with our financial affairs will fully agree with me in that opinion. Now that this important question

is about to be settled, I desire again to say how much we are indebted to Lord Strathcona for the assistance he has afforded in this matter. And I should do less than justice if I did not say also that to our excellent Deputy Minister of Finance, Mr. Courtney, a large share of that credit is due.

And, now, Mr. Speaker, my task is done. It is, I trust, an agreeable statement which I have been able to present to the parliament and the people of Canada this day. It is the story of very prosperous times ; of a strong financial position ; of a country that has been able to pass through the recent financial stringency without the need of borrowing a dollar ; of a country that has not a dollar of floating debt to-day ; of a country with an overflowing treasury under a reduced customs tariff ; of liberal grants for every useful public service ; of great

public enterprises, for the present and future needs of Canada, carried on with comparatively insignificant additions to the public debt ; of a people occupying a vast country stretching from ocean to ocean, nearly all of whom are to-day busy, prosperous, contented and happy ; of a people who bear cheerfully every obligation that comes upon them for the maintenance of their own public service, and who have found their devotion to the Throne and person of their sovereign so quickened by the inspiring events of recent years that they give freely of their blood and of their treasure in defence of the honour of the empire in lands that are far away. May we all realize what a goodly land it is in which we dwell, and may we all remember with grateful hearts the blessings which Providence has showered upon this Dominion of Canada.

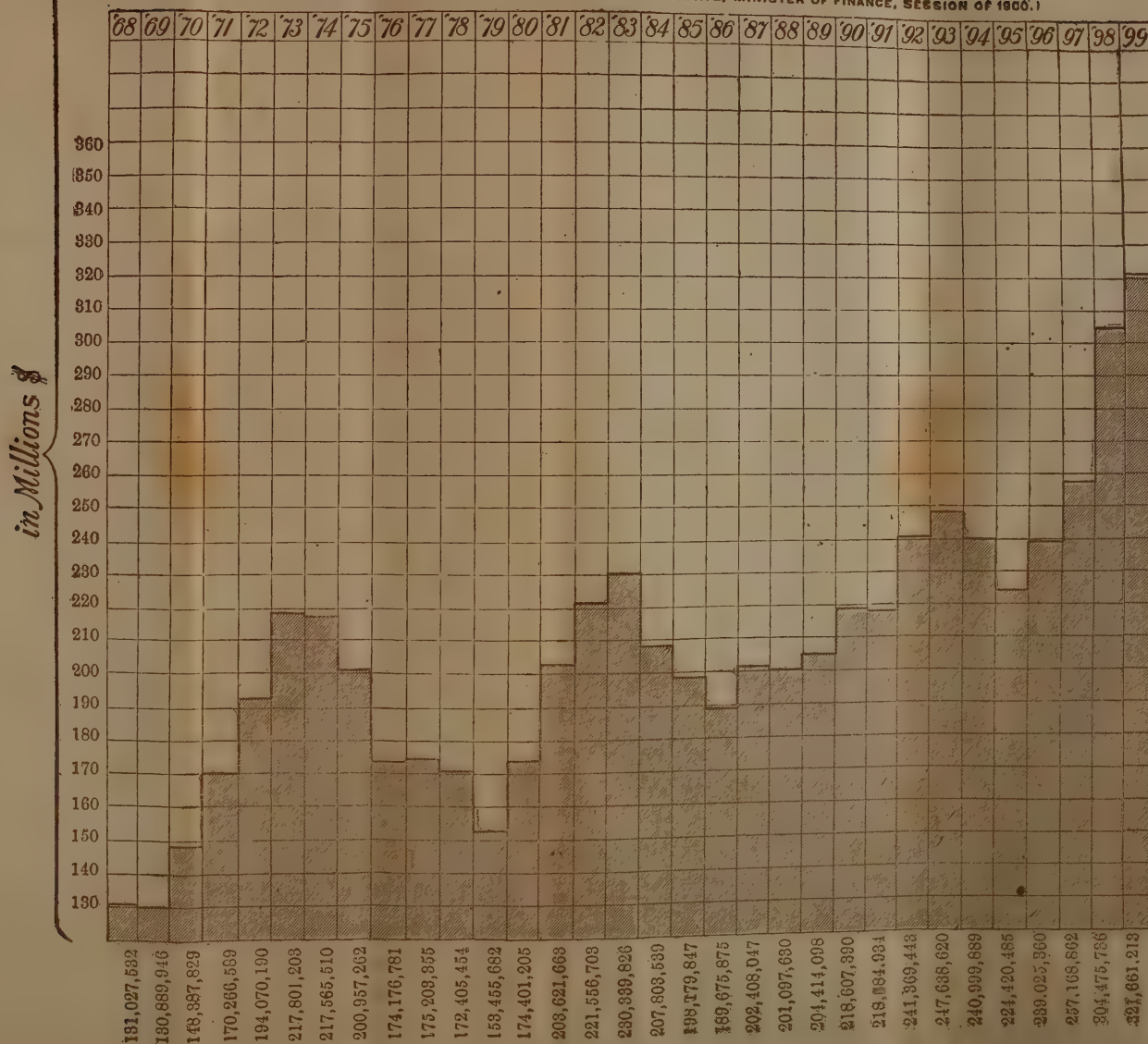


DOMINION OF CANADA

TOTAL TRADE FOR YEARS ENDED JUNE 30TH, 18.

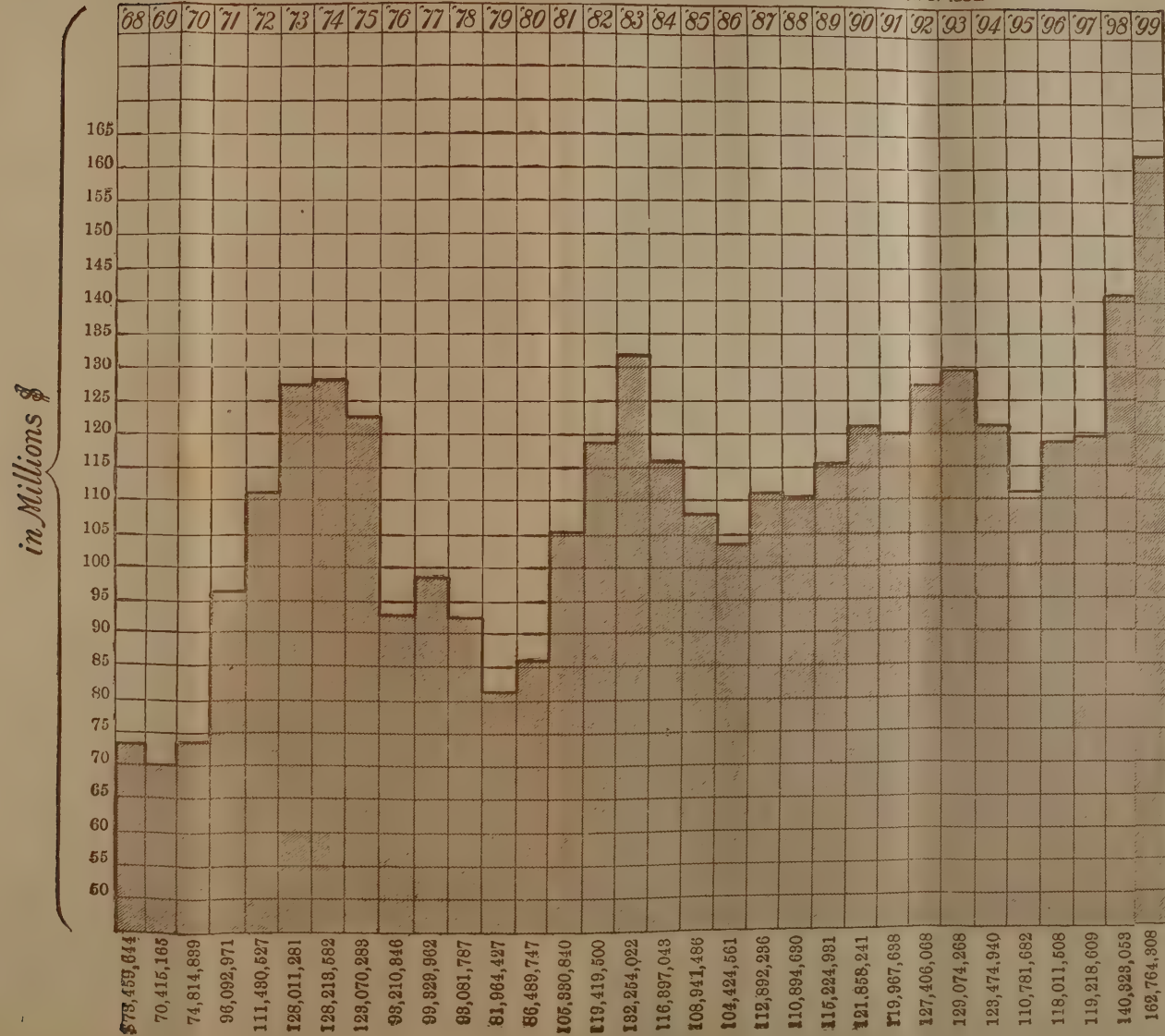
1

(DIAGRAM IN CONNECTION WITH BUDGET SPEECH OF HON. W. S. FIELDING, MINISTER OF FINANCE, SESSION OF 1900.)



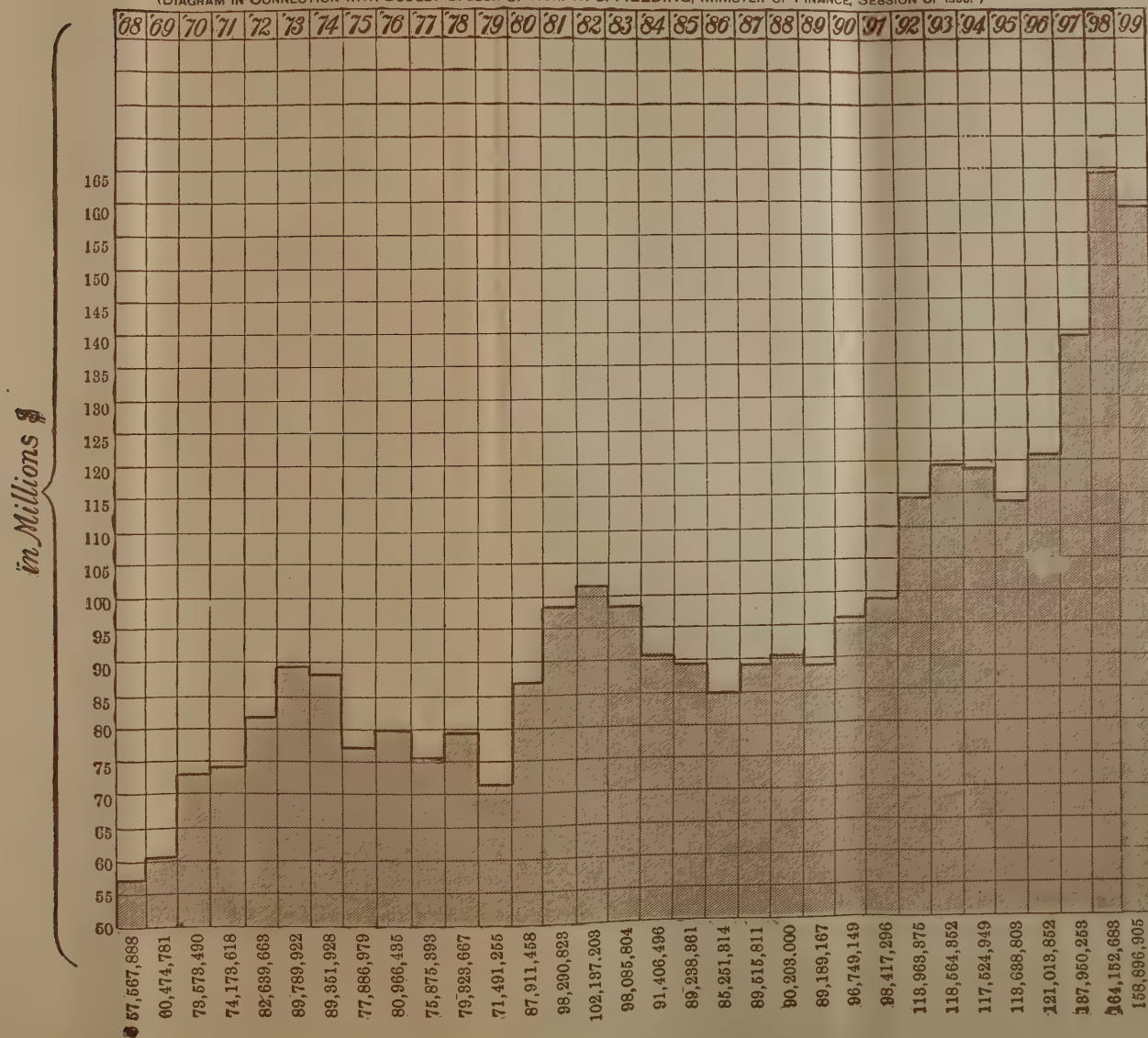
TOTAL IMPORTS FOR YEARS ENDED JUNE 30TH, 18-

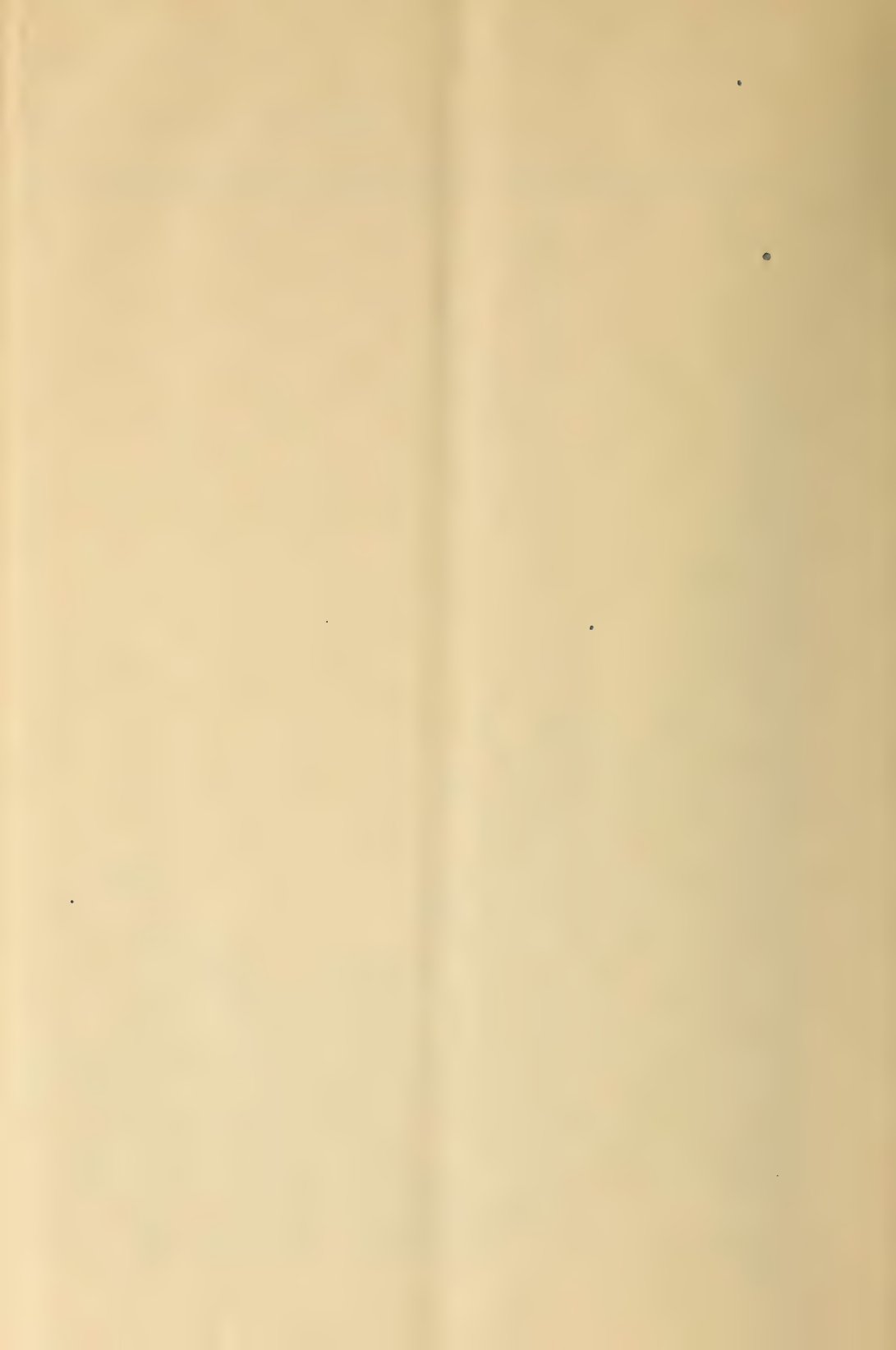
(DIAGRAM IN CONNECTION WITH BUDGET SPEECH OF HON. W. S. FIELDING, MINISTER OF FINANCE, SESSION OF 1900)



TOTAL EXPORTS FOR YEARS ENDED JUNE 30TH, 18-

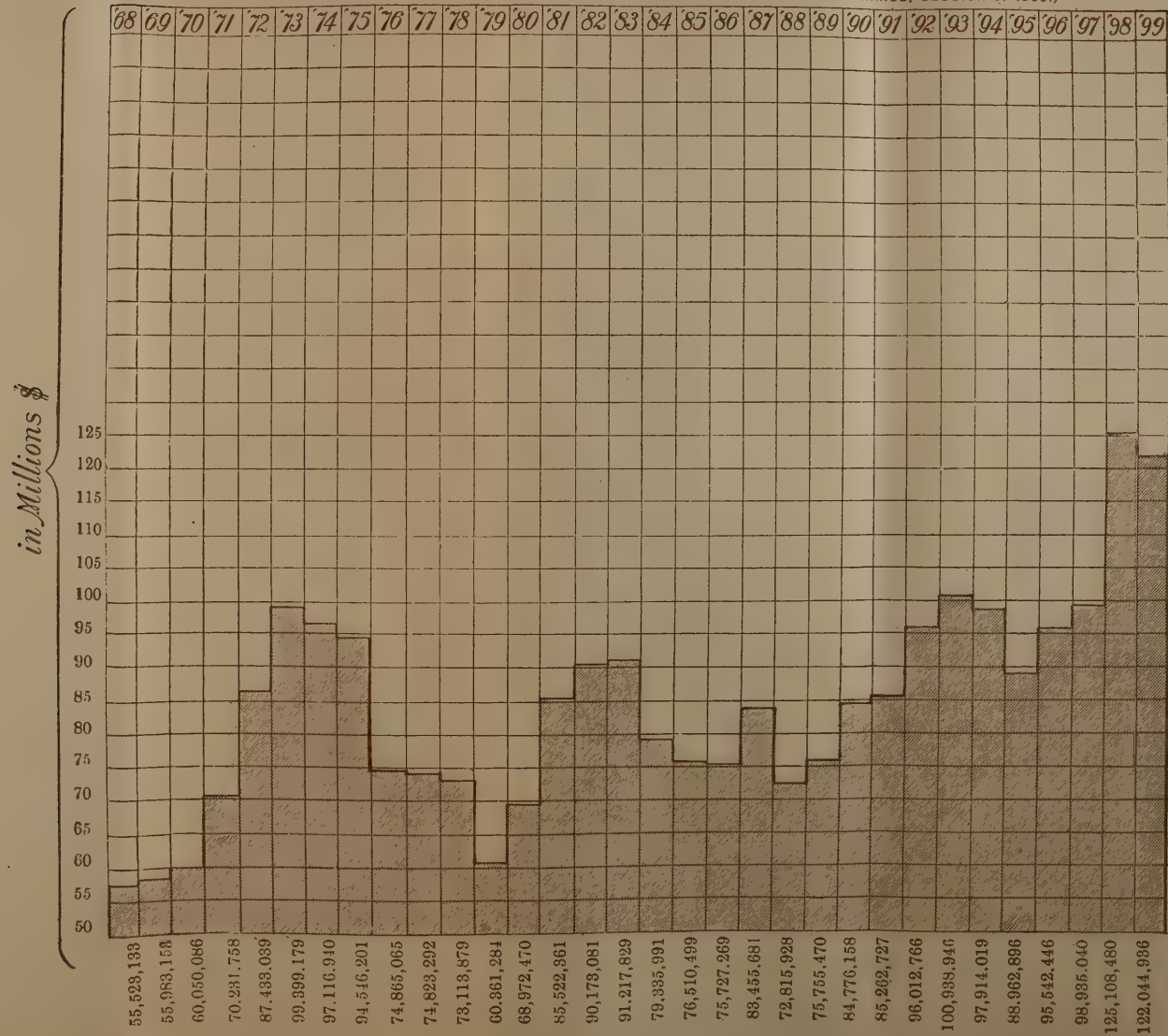
(DIAGRAM IN CONNECTION WITH BUDGET SPEECH OF HON. W. S. FIELDING, MINISTER OF FINANCE, SESSION OF 1900.)





TOTAL IMPORTS (HOME CONSUMPTION) FROM GREAT BRITAIN AND EXPORTS (PRODUCE OF CANADA) TO GREAT BRITAIN, FOR YEARS ENDED JUNE 30TH, 18- (COIN AND BULLION NOT INCLUDED.)

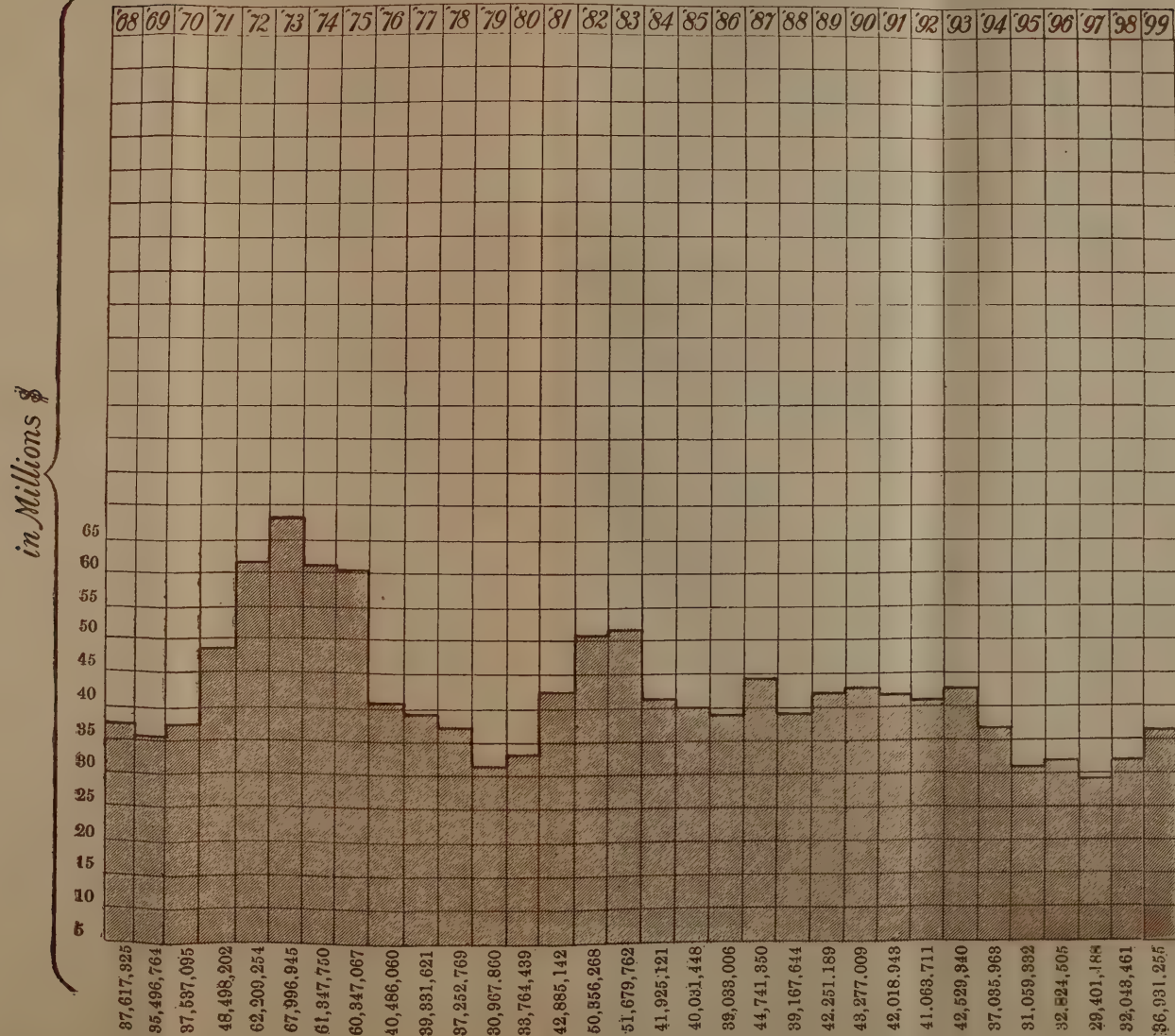
(DIAGRAM IN CONNECTION WITH BUDGET SPEECH OF HON. W. S. FIELDING, MINISTER OF FINANCE, SESSION OF 1900.)



TOTAL IMPORTS (HOME CONSUMPTION) FROM GREAT BRITAIN, FOR YEARS ENDED JUNE 30TH, 18-

(COIN AND BULLION NOT INCLUDED.)

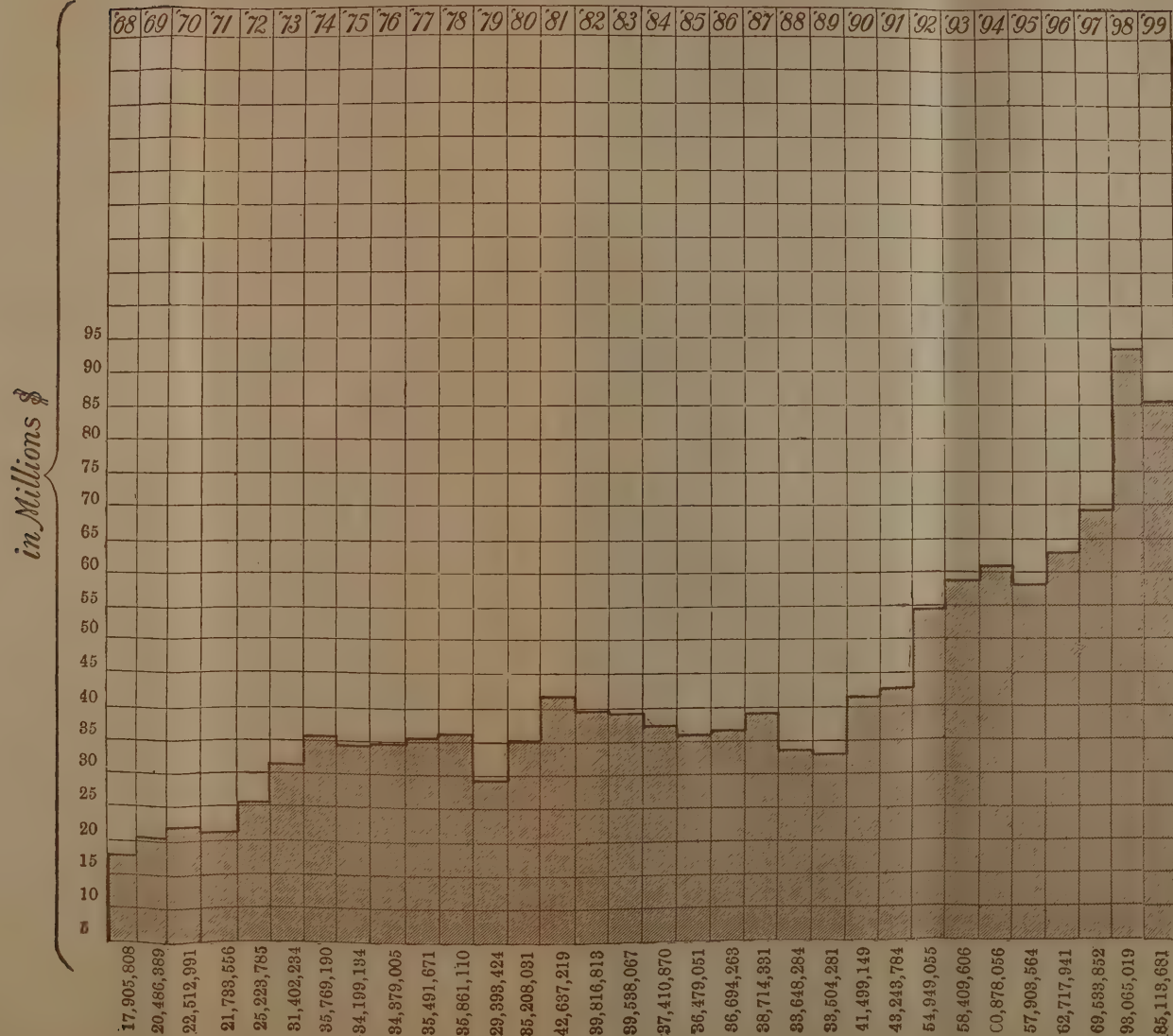
(DIAGRAM IN CONNECTION WITH BUDGET SPEECH OF HON. W. S. FIELDING, MINISTER OF FINANCE, SESSION OF 1900.)



TOTAL EXPORTS (PRODUCE OF CANADA) TO GREAT BRITAIN FOR YEARS ENDED JUNE 30TH, 18-

(COIN AND BULLION NOT INCLUDED.)

(DIAGRAM IN CONNECTION WITH BUDGET SPEECH OF HON. W. S. FIELDING, MINISTER OF FINANCE, SESSION OF 1900.)



DOMINION OF CANADA

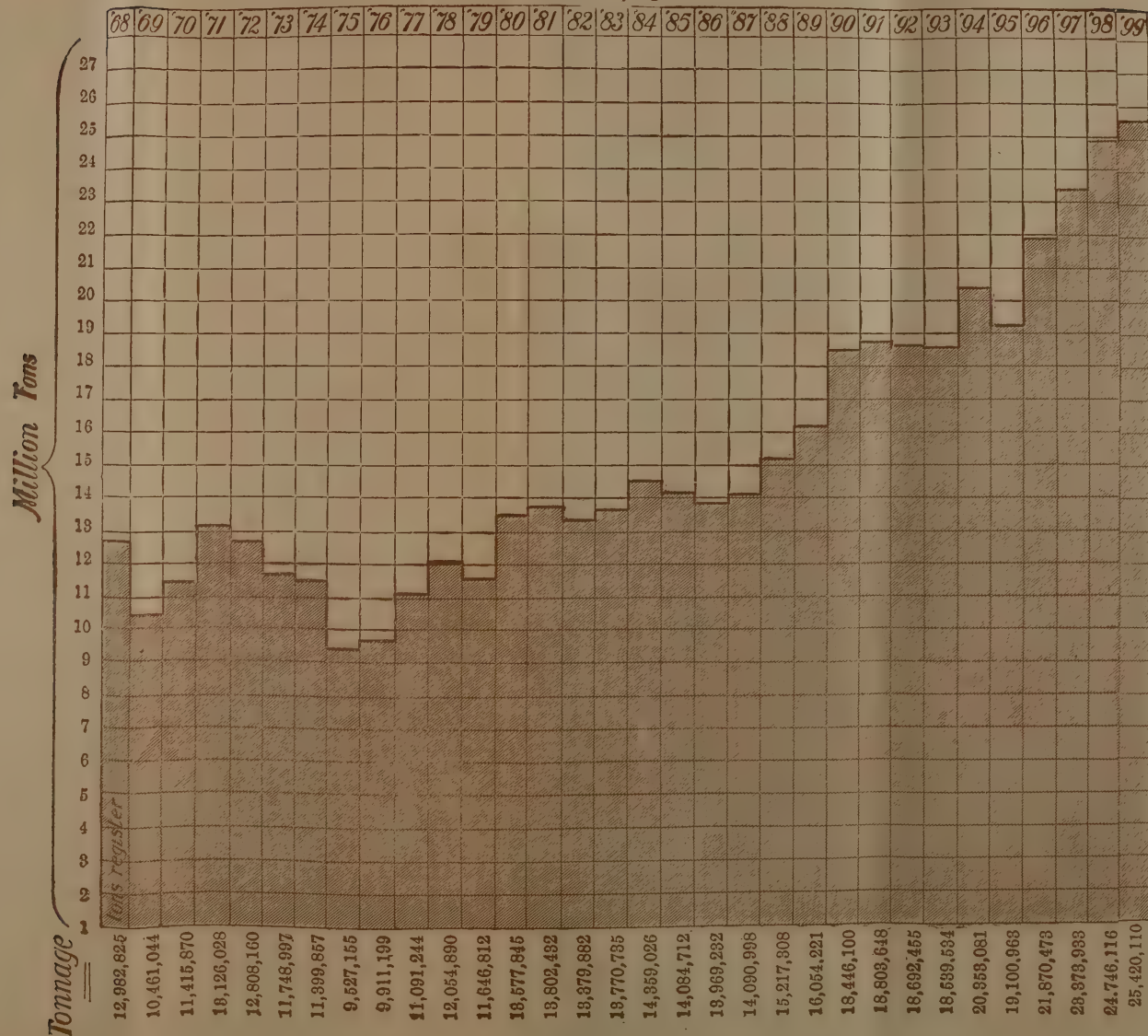
SHIPPING, INCLUDING ALL VESSELS (EXCLUSIVE OF COASTING VESSELS)

TONNAGE EMPLOYED

7

(DIAGRAM IN CONNECTION WITH BUDGET SPEECH OF HON. W. S. FIELDING, MINISTER OF FINANCE, SESSION OF 1900.)

JUNE 30TH, 18-



DOMINION OF CANADA

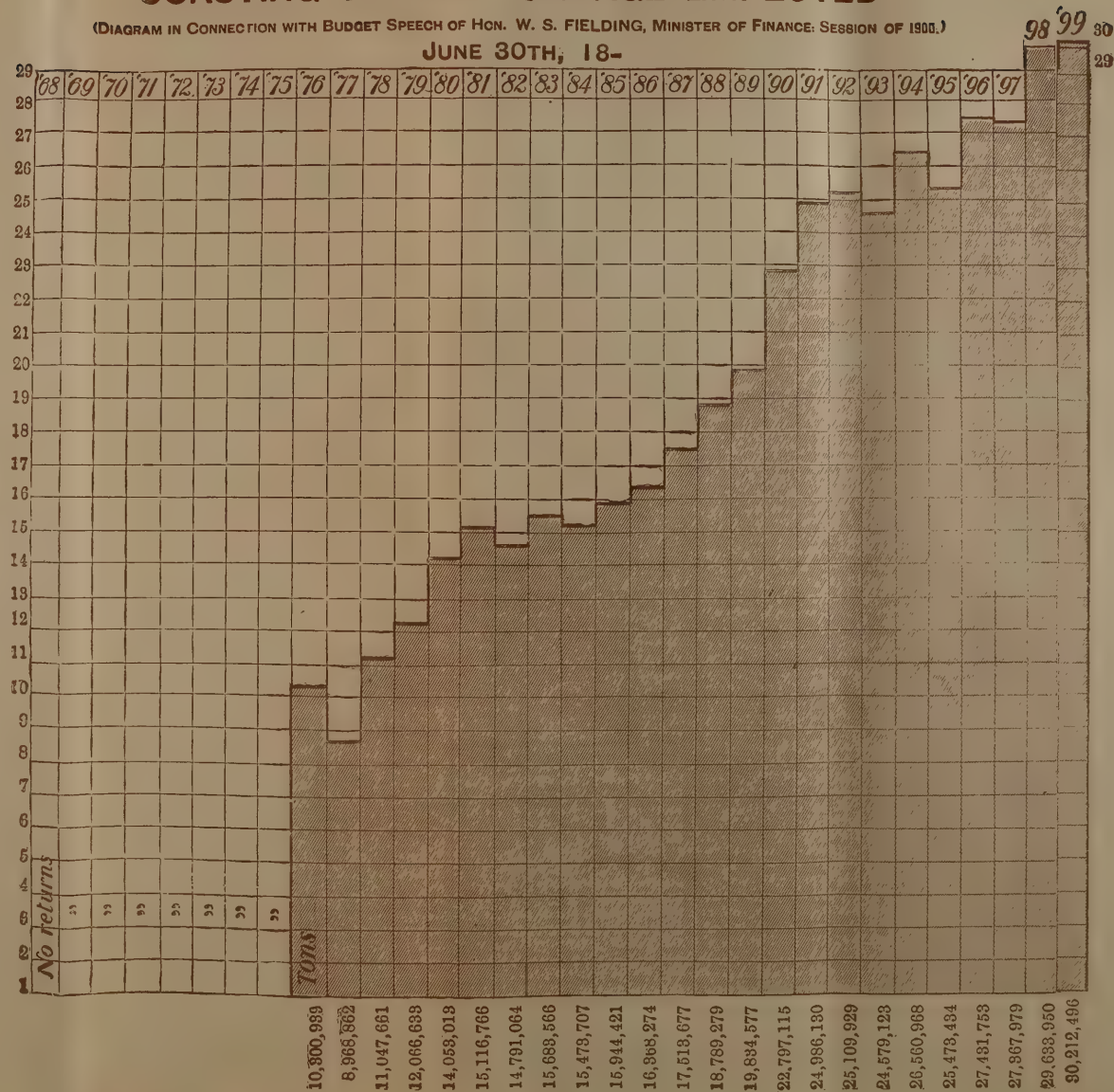
COASTING TRADE—TONNAGE EMPLOYED

8

(DIAGRAM IN CONNECTION WITH BUDGET SPEECH OF HON. W. S. FIELDING, MINISTER OF FINANCE: SESSION OF 1900.)

JUNE 30TH, 18-

Million Tons



No returns

Tons

98'99 30
29

DOMINION OF CANADA

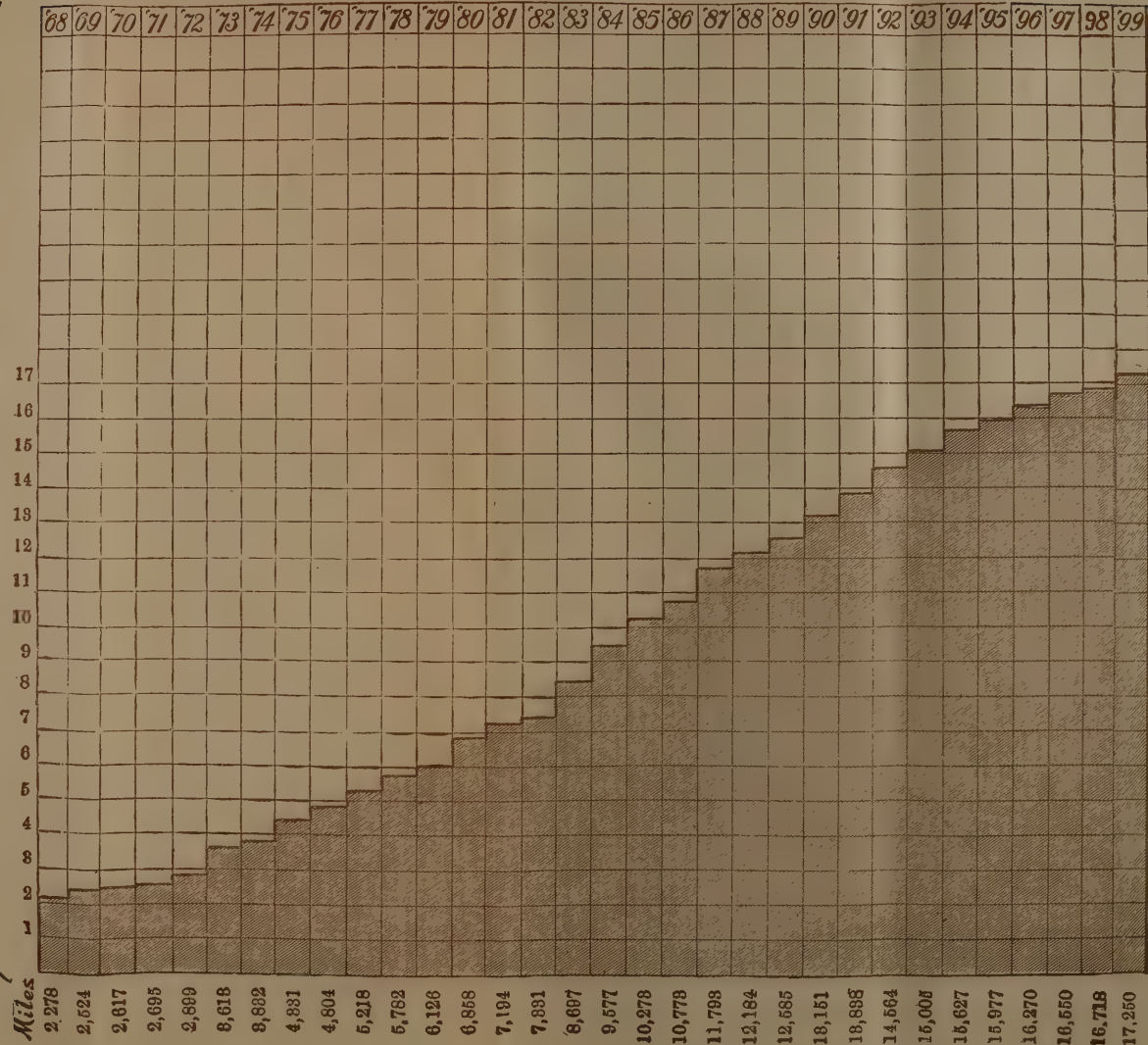
RAILWAYS IN CANADA (MILES IN OPERATION)

JUNE 30TH, 18-

9

(DIAGRAM IN CONNECTION WITH BUDGET SPEECH OF HON. W. S. FIELDING, MINISTER OF FINANCE, SESSION OF 1900.)

*MILES IN OPERATION
each square equal to 1,000 Miles*



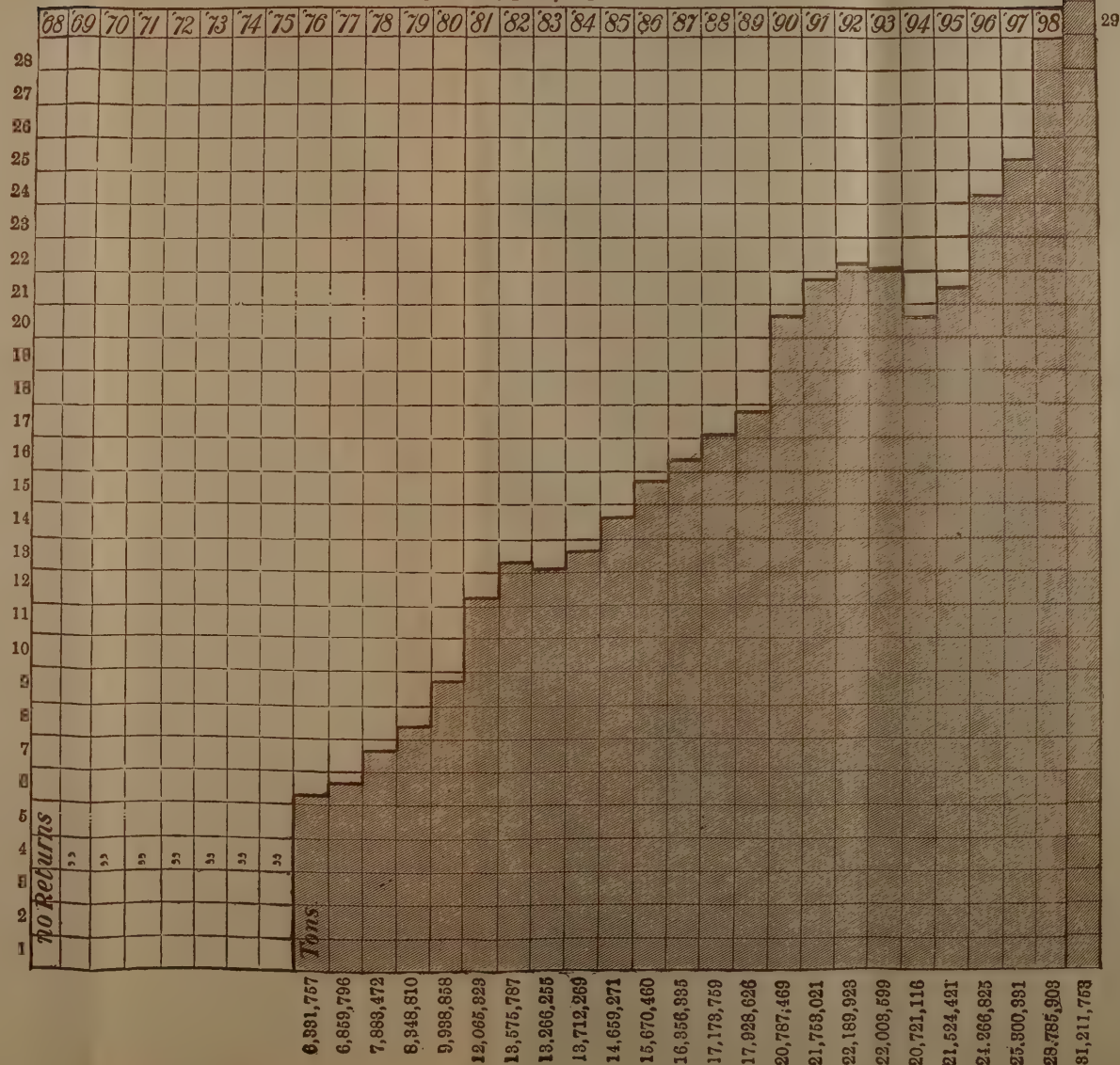
DOMINION OF CANADA RAILWAY TRAFFIC—TONS CARRIED

10

(DIAGRAM IN CONNECTION WITH BUDGET SPEECH OF HON. W. S. FIELDING, MINISTER OF FINANCE, SESSION OF 1900.)

JUNE 30TH, 18-

Million Tons



99

B1

30

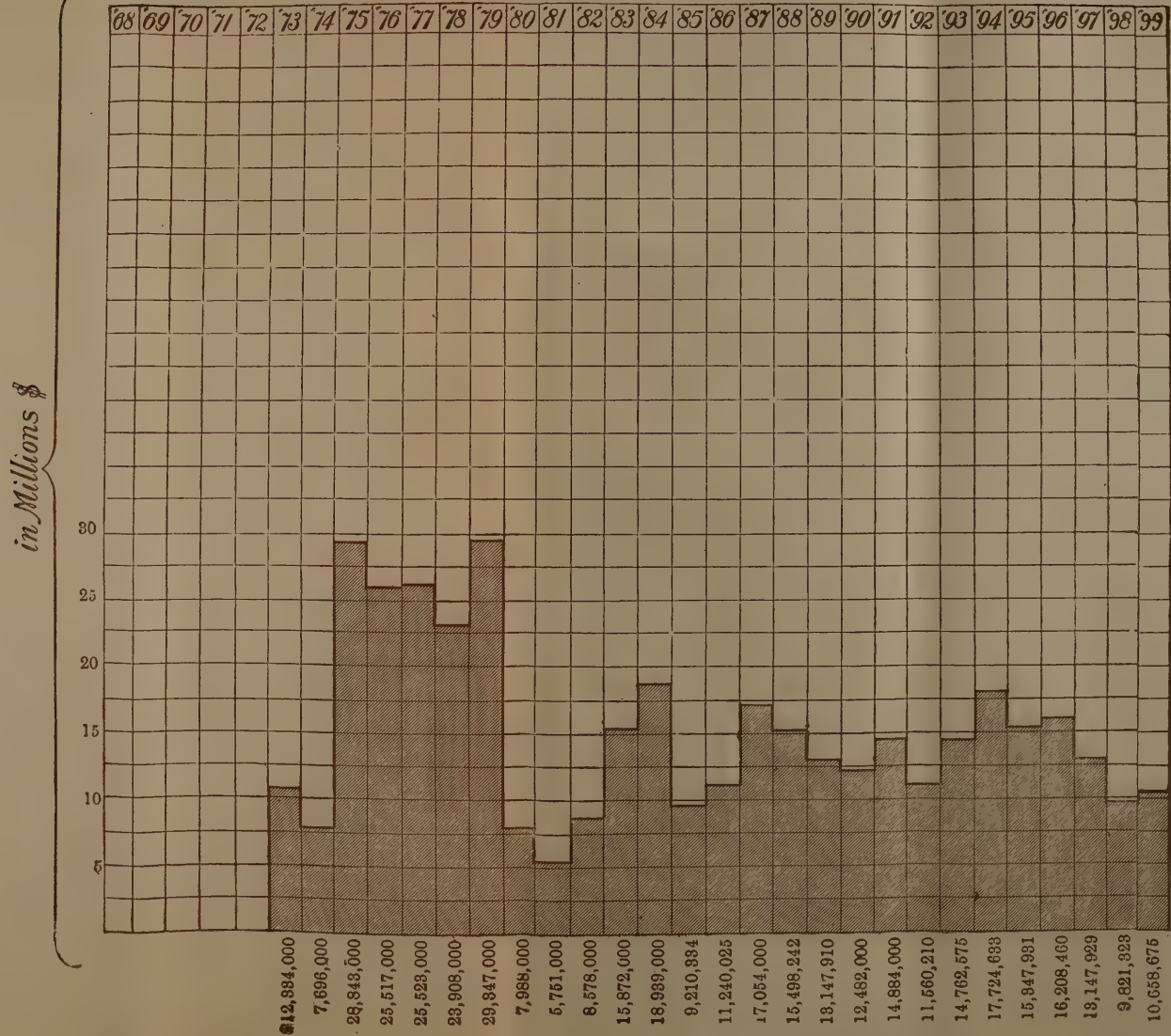
29

DOMINION OF CANADA
BUSINESS FAILURES IN CANADA
(NEWFOUNDLAND INCLUDED TO 1891 INCLUSIVE)

11

(DIAGRAM IN CONNECTION WITH BUDGET SPEECH OF HON. W. S. FIELDING, MINISTER OF FINANCE, SESSION OF 1900.)

DEC. 31ST, 18-



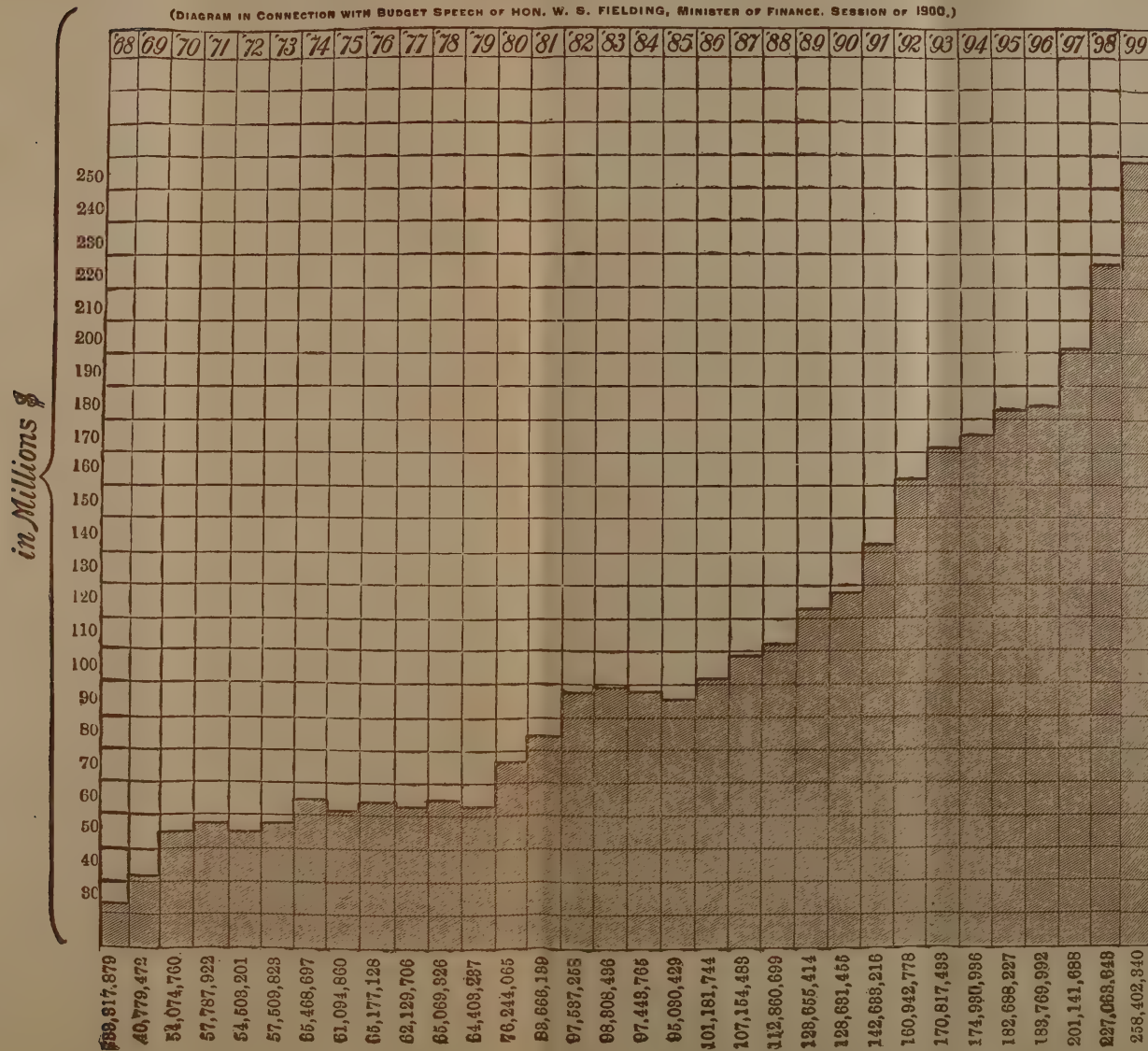
DOMINION OF CANADA

DEPOSITS BY THE PEOPLE IN THE CHARTERED BANKS OF CANADA

JUNE 30TH, 18-

12

(DIAGRAM IN CONNECTION WITH BUDGET SPEECH OF HON. W. S. FIELDING, MINISTER OF FINANCE, SESSION OF 1900.)



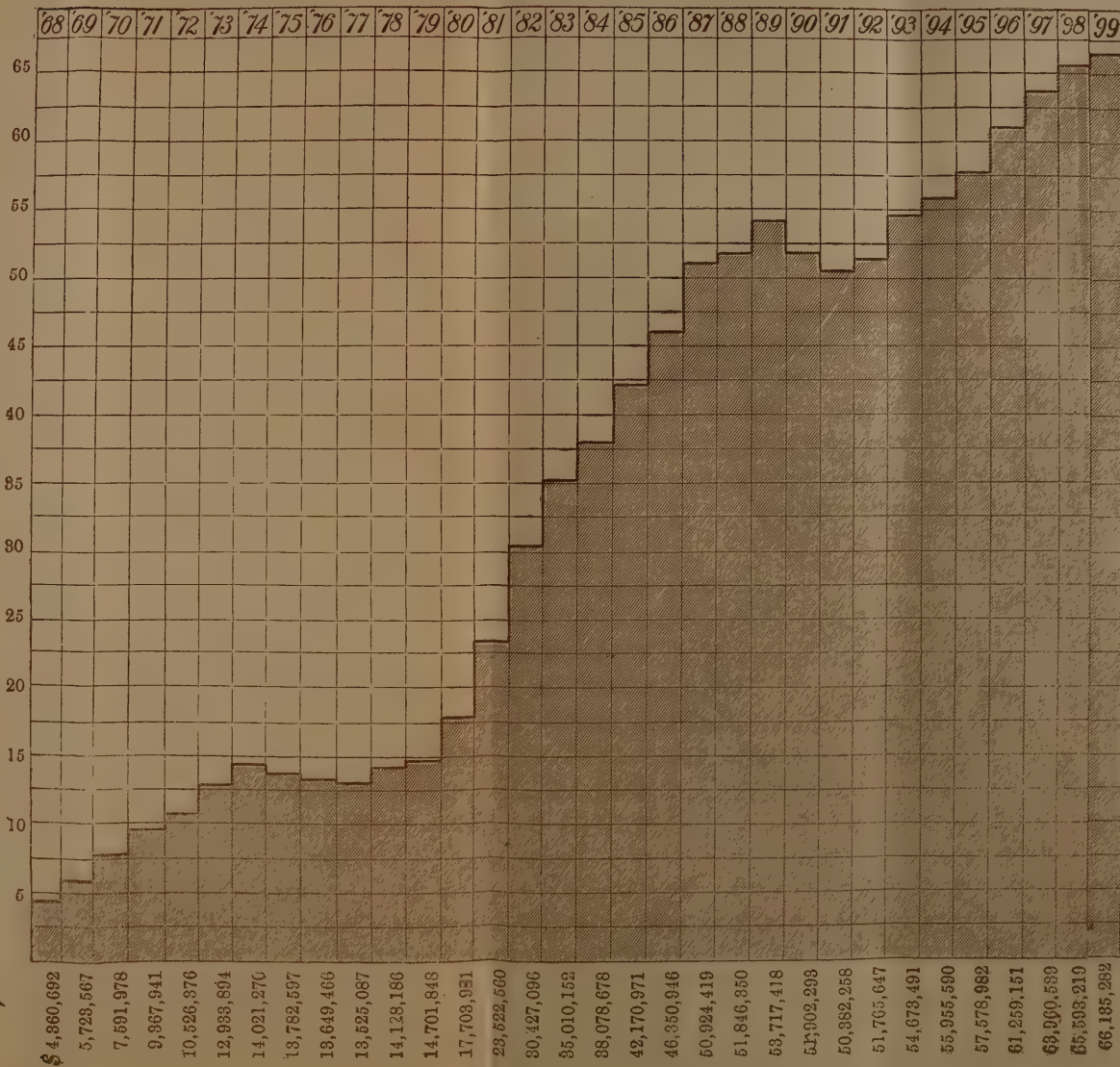
DEPOSITS IN SAVINGS BANKS OF CANADA

Including City and District Savings Bank, Montreal, and Caisse d'Economie, Quebec

(DIAGRAM IN CONNECTION WITH BUDGET SPEECH OF HON. W. S. FIELDING, MINISTER OF FINANCE, SESSION OF 1900.)

JUNE 30TH, 18-

in Millions \$



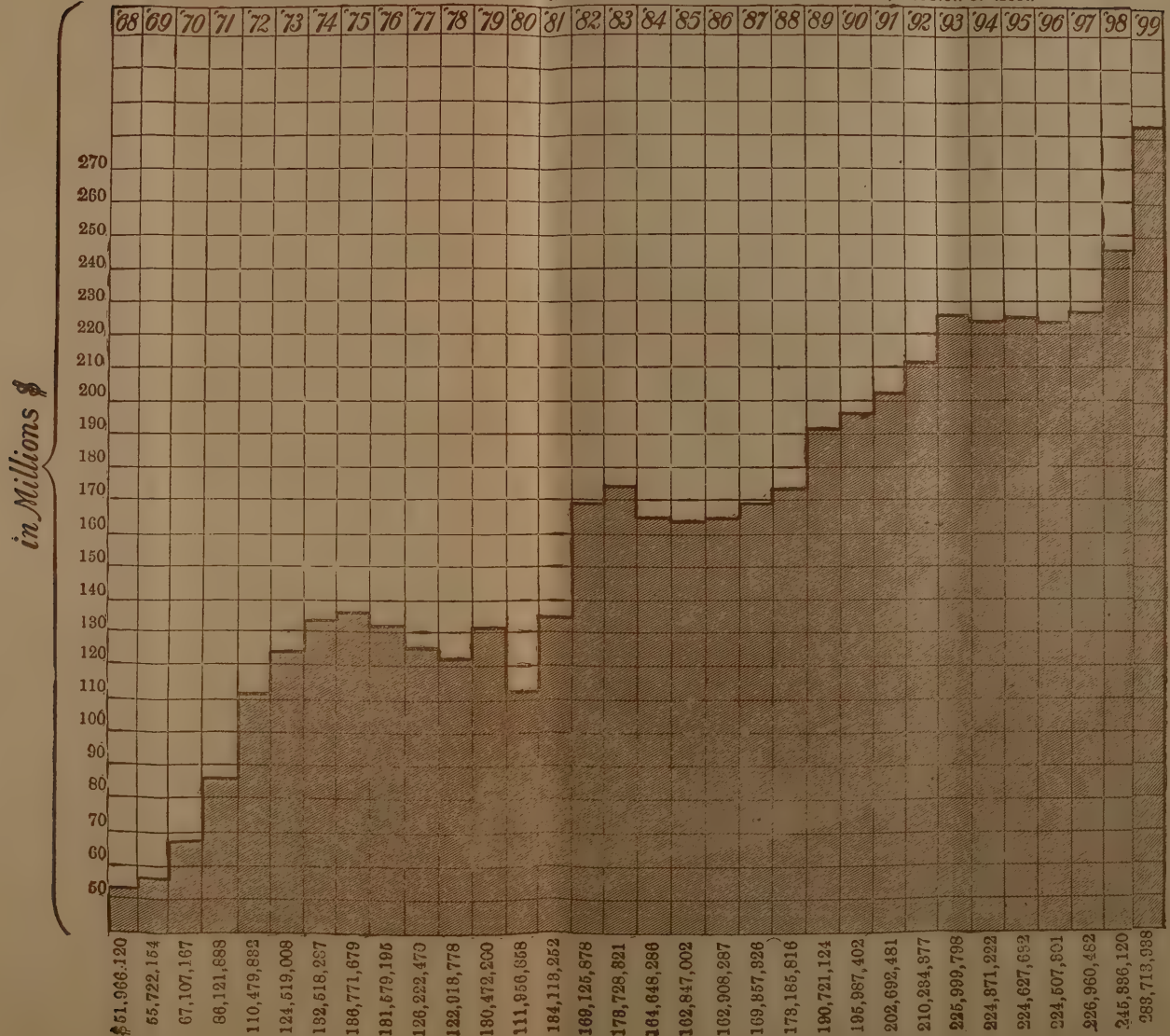


DOMINION OF CANADA DISCOUNTS

14

As shown by the Monthly Statements of the Chartered Banks of Canada, June 30th, 18-

(DIAGRAM IN CONNECTION WITH BUDGET SPEECH OF HON. W. S. FIELDING, MINISTER OF FINANCE, SESSION OF 1900.)





DOMINION OF CANADA
DEPOSITS MADE WITH LOAN COMPANIES AND BUILDING SOCIETIES
 EACH YEAR FROM 1867 TO 1898, INCLUSIVE

15

[DIAGRAM IN CONNECTION WITH BUDGET SPEECH OF HON. W. S. FIELDING, MINISTER OF FINANCE, SESSION OF 1900.]

DEC. 31ST, 18-

